

APT Committee

From: Lindsey Wilcox <lwilcox@woodardcurran.com>
Sent: Wednesday, June 15, 2022 9:02 AM
To: APT Committee
Cc: Alyson Watson
Subject: 6/14/22 APT W&C Presentation
Attachments: MauiCountyCouncilAPTPrez-WaterAuthorityMgmt.pdf

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Chair and Councilmembers,

For your reference, attached is a copy of my presentation from yesterday. I also wanted to respond to a couple of your questions that I was not able to answer yesterday:

- (1) How many municipal clients does Woodard & Curran have?
1,120 (past and present)

- (2) Of those municipal clients, how many are or have been legislative bodies like a County Council?
Approximately 40

Thank you,

Lindsey Wilcox, PE (NY)

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Water Authority Management

Lindsey Wilcox, P.E. (NY)

June 14, 2022



Locally Controlled Supplies and Systems are Critical

- Important for municipalities to control their own water
- Many California Water Systems Rely on Imported Supplies
 - Imported water supplies vs. groundwater or recycled water supplies
 - Diversified water supply portfolio
 - State Water Contractors / State controls the SWP and CVP supplies
 - Systems are taking a closer look at how to increase locally controlled water

Municipalities Can Tap into Funding Sources



USEPA Water Infrastructure Finance and Innovation Act (WIFIA) – low-interest loans



USDA Rural Development – grants and loans



HI DOH SRF – grants and loans for planning and construction



WaterSMART grants for planning and construction

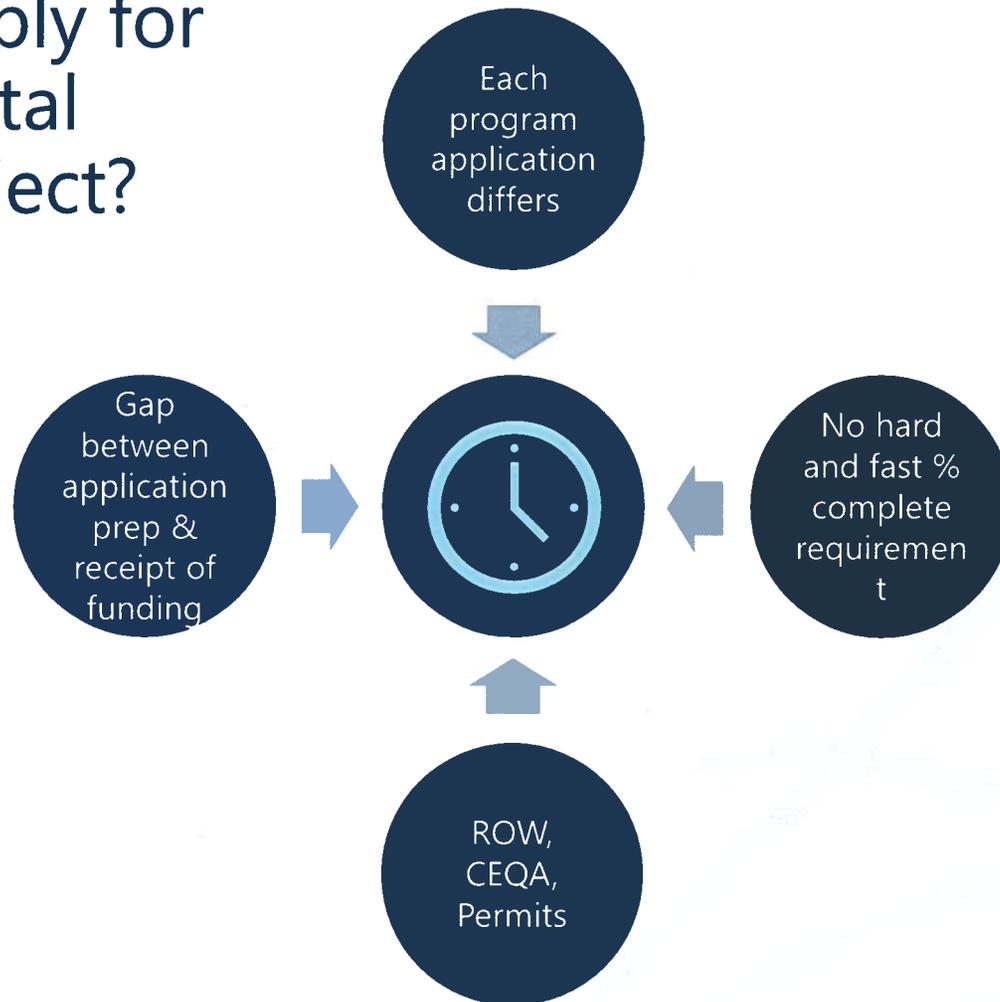
- **Eligible costs** for reimbursement vary by funding source but generally include:
 - Planning, design, environmental documentation, permitting
 - Construction of new facilities
 - Repair, replacement, rehabilitation of existing facilities
 - Construction management and engineering services during construction
- **Ineligible costs**
 - Operation & maintenance (O&M)

When can you apply for funding for a capital improvement project?

General guideline

Need enough information to:

1. Describe the project
2. Explain what the grant funds will be used for
3. Itemize costs



Basic Information Needed for a Funding Application



Project Cost

A high-level cost estimate helps provide a basis for funding need



Benefits

Describing need and quantified benefits builds upon project understanding



Project Description

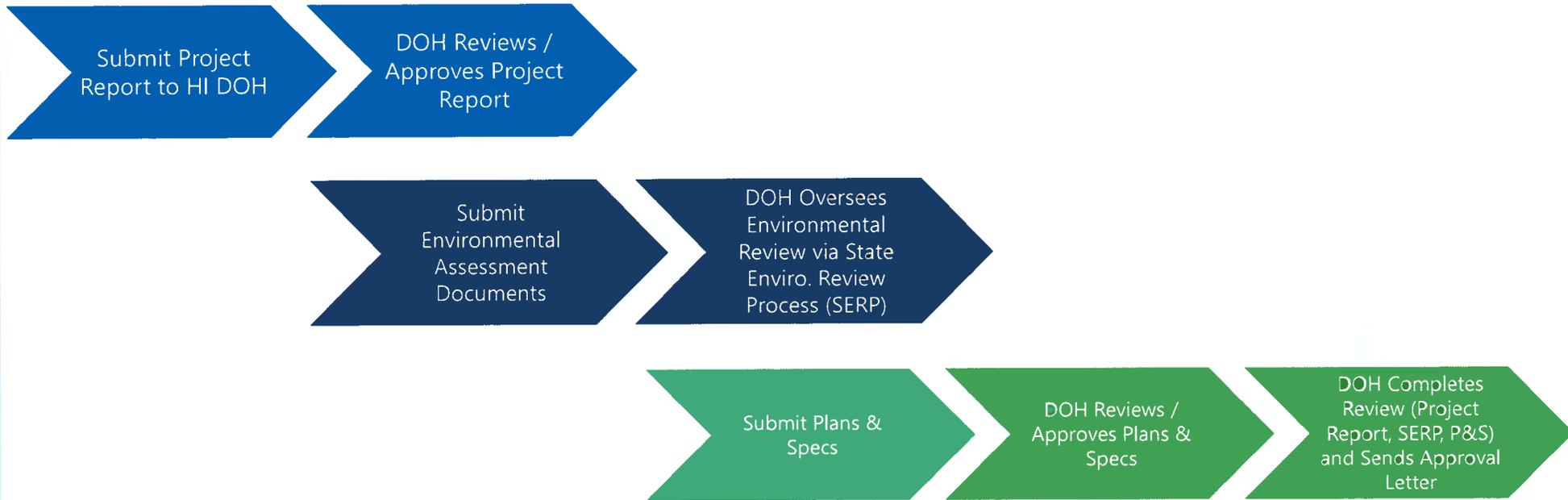
The Funding Agency needs to know what their funding will be used for – repair, replace, construct existing or new facilities?



Funding Process Example

DWSRF

DWSRF Funding Process – Planning Phase



DWSRF Project Report Must Include

Project Needs &
Benefits

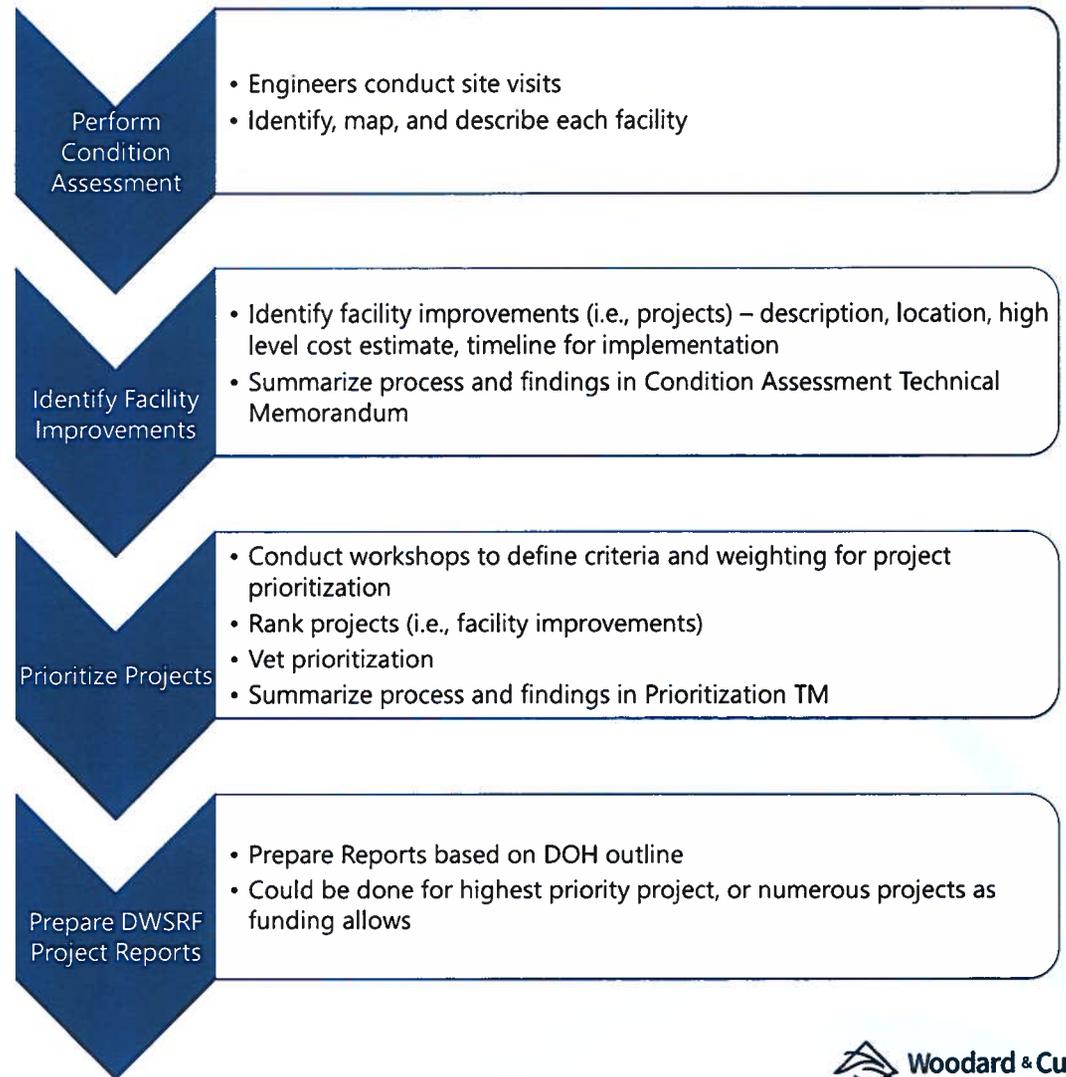
Description of
Proposed Facilities &
Public Water System

Evaluation of
Alternatives
Considered to Address
Project Needs

Description of Selected
Alternative

Estimated Capital and
O&M Costs for the
Project

The Preliminary Engineering Process Could Look Something Like This...





Case Study

Coachella Valley Water District DWSRF Grant

Coachella Valley Water District

- ▶ 1,000 square miles
- ▶ 300,000 population
- ▶ 110,000 water connections
- ▶ 90+ wells



Step 1 – Apply for DWSRF Planning Grant

- ▶ CVWD Obtained a \$500k Grant to Complete the East Coachella Valley Water Supply Project (ECVWSP)
 - To improve the *reliability, safety, and security of the water supply* to rural disadvantaged communities (DACs)
 - To implement a *cost-effective, technically feasible, long-term water supply solution for the drinking water quality deficiencies* identified in the existing small water systems

Partnered w/CVWD's DAC Infrastructure Task Force



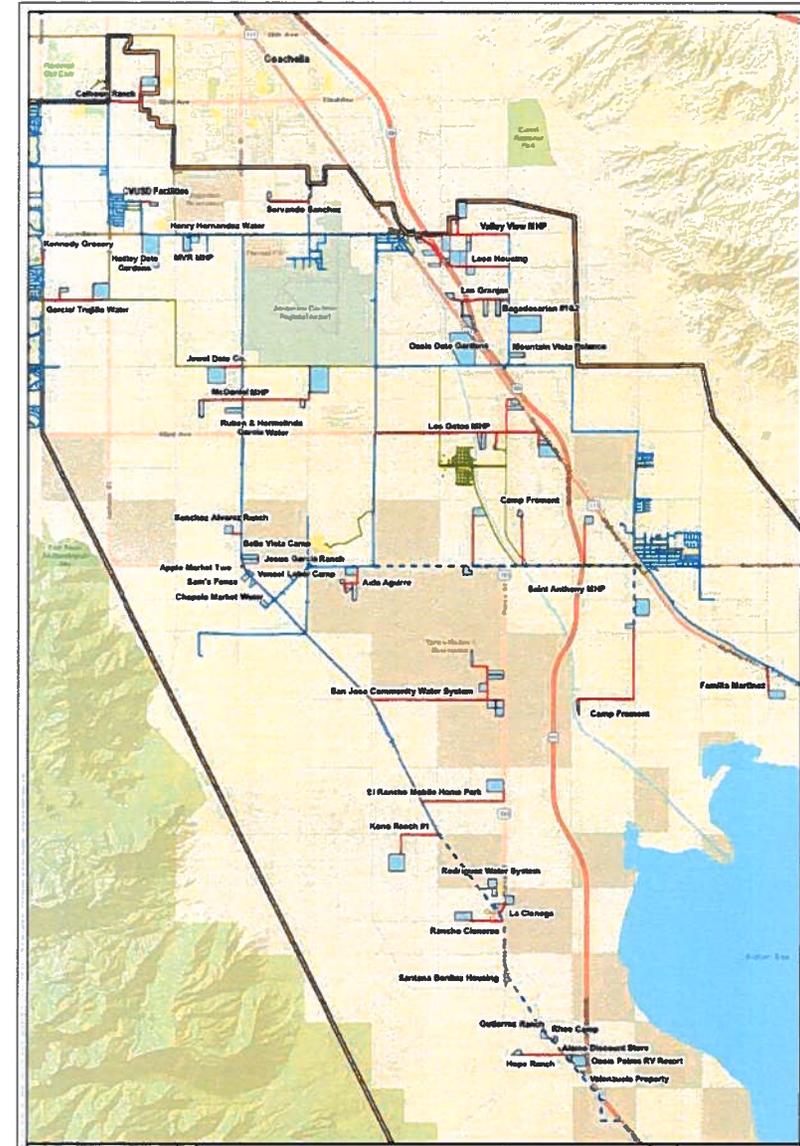
Step 2 – Complete the Necessary Preliminary Engineering

ECVWSP:

- ▶ Task 1 – System Identification
- ▶ Task 2 – System Prioritization
- ▶ Task 3 – PERs
- ▶ Task 4 – Consolidation
- ▶ Tasks 5 and 6 – CEQA
- ▶ Task 7 – Project Management

System Identification

- ▶ Small water systems: 83
- ▶ Number of connections: 1,011
- ▶ New pipeline alignments
- ▶ Water quality compliance



System Prioritization

Define Criteria

- What matters in the decision?

Weight Criteria

- Relative importance

Score Projects

- Quantitative and qualitative measures

Rank Projects

- Using ranking tool

Select Projects

- Discussion after ranking results

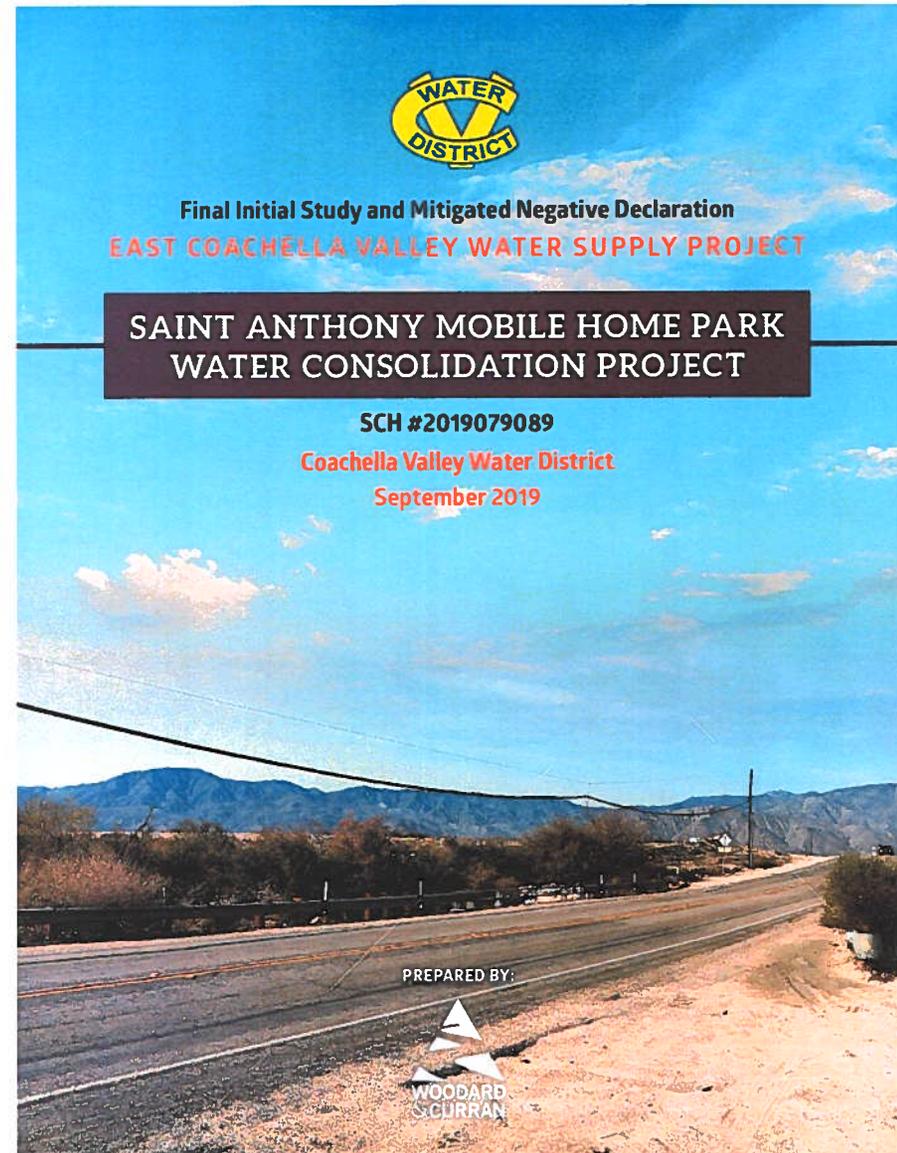
Preliminary Engineering Reports

- ▶ Developed conceptual designs for new facilities
- ▶ CVWD will provide potable water service to the SWSs, subject to receipt of grant funding
- ▶ CVWD will install water mains, water distribution pipelines, fire hydrants, and water meters
- ▶ Residents will be billed for water use based on CVWD rates



CEQA+ IS/MND

- ▶ Present environmental impacts of proposed projects
- ▶ Identify ways to avoid or reduce environmental impacts
- ▶ Support the agency decision-making process
- ▶ Encourage public participation
- ▶ Enhance interagency coordination



Step 3 – Apply for Funding

- ▶ CVWD submitted a DWSRF construction application
 - PER
 - ISMND
 - Funding request amount based on cost estimate
 - Other application materials
- ▶ The California State Water Board approved the Saint Anthony Water Consolidation Project for a \$23M grant
- ▶ CVWD is currently applying for a second grant of ~\$19M for the Valley View Water Consolidation Project

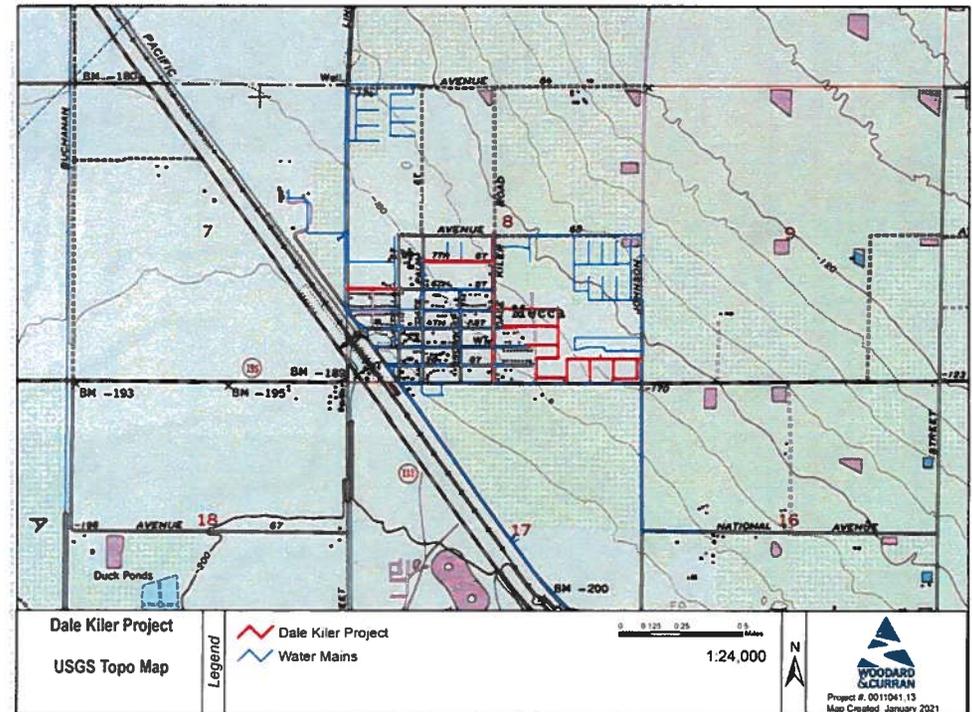


Case Study

Coachella Valley Water District USDA Grant and Loan

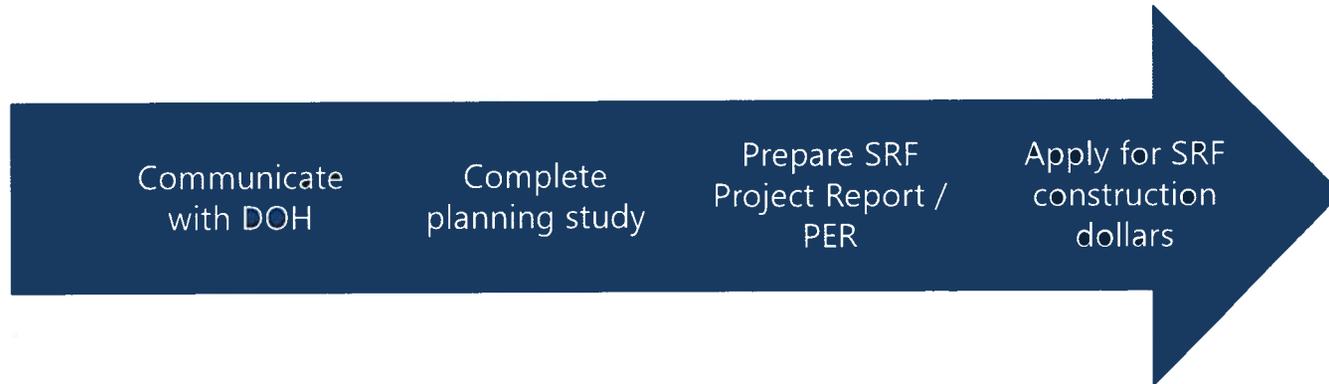
USDA Application Process for CVWD's North Shore & Dale Kiler Water Main Replacement Projects

- ▶ Prepare Preliminary Engineering Report (PER) including cost estimate
- ▶ Prepare USDA Environmental Report (ER), biological and cultural studies, and CA Notice of Exemption
- ▶ Work with USDA on PER and ER
- ▶ Formally submit USDA application through RDApply
- ▶ Sign Letter of Conditions from USDA
- ▶ Construct project
- ▶ Loan closing



Various Scenarios for Potential Next Steps

Option 1



Option 2



System Operations

- ▶ CWA could contract out operations and management of the water system
- ▶ The existing operators can become employees of the contracted ops and assist the contracted operators
- ▶ Could contract out for a specific term (e.g., 3 years, 5 years, 10 years)
- ▶ Woodard & Curran
 - operates and maintains over 80 treatment facilities nationwide including water and wastewater systems ranging in size from 100,000 gpd to 300 MGD
 - Also handles departmental functions like customer service, billing, maintaining regulatory compliance
 - trains, recruits, and relocates staff
 - Draws on the experience of hundreds of certified operators across the country, ready to support your facility as needed

Water Sales Agreements / Lease Agreements

- ▶ Legal counsel drafts the actual agreements
- ▶ Consulting firms like W&C can support development of terms of the agreement and perform supporting analyses to evaluate financial scenarios
- ▶ Examples:
 - North Valley Regional Recycled Water Program - DPWD buying water from Turlock and Modesto for 40 years
 - Fixed fee, and a cost that would escalate over time to account for O&M costs increasing, caps
 - Profit
 - How to share cost of O&M
 - How to handle future grant funding to partners
 - Financing impact – debt service
 - Carpinteria Advanced Water Purification Project - two agencies (Water and WW) worked through institutional options for new recycled water system
 - Facility ownership
 - Staffing
 - Ongoing O&M
 - Debt financing and loan holders
 - Individual and shared benefits