



San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

September 26, 2022

To: Interested Parties and Applicants

Subject: Application Period No. X Ending November 10, 2022
San Gabriel Basin Water Quality Authority
Federal Funding Program Administration (“FFPA”)

This is to notify you that the San Gabriel Basin Water Quality Authority (“WQA”) is soliciting applications for the allocation of federal funding. WQA will accept applications beginning September 26, 2022 and ending on November 10, 2022. Staff has estimated that up to \$10,000,000 is available from the Restoration Fund during this process.

For Application Period No. X, WQA will accept and consider new applications. Applications must include a letter identifying project specific information, including a cost estimate and schedule. In addition, please identify how the project(s) meets the requirements and how it addresses each of the criteria questions contained in the enclosed Federal Funding Program Administration (“FFPA”) Guidelines.

Please review the FFPA in its entirety as requirements may have been changed or clarified.

WQA will be hosting an informative webinar on Monday October 3, 2022, at 10:00 am (pst) to discuss the FFPA process and answer any questions.

If you have any further questions or need clarification, please don't hesitate to contact Dan Colby or myself at 626-338-5555.

Sincerely,

A handwritten signature in blue ink that reads "Randy Schoellerman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Randy Schoellerman
Executive Director

Enclosure: FFPA Round X Guidelines

**FEDERAL FUNDING
PROGRAM ADMINISTRATION**
by the
San Gabriel Basin Water Quality Authority
September 26, 2022

Summary

The San Gabriel Basin Water Quality Authority (WQA), in furtherance of its goals and objectives, is now accepting proposals for reimbursement funds from the San Gabriel Basin Restoration Fund (Restoration Fund) authorized by Congress. The following sections describe eligibility requirements, priority ranking criteria, and process for making application for these funds. The program requires that 100% of project funds be deposited into WQA accounts prior to making each reimbursement request. Amounts shown will be allocated at the discretion of the WQA Board based upon available appropriations and local funding needs.

Schedule of Applications for Currently Available Funds:

Accept Applications	Restoration Fund*	TOTAL
9/26/2022 thru 11/10/2022	\$10 million	\$10 million
TOTAL AVAILABLE FUNDS	\$10 million	\$10 million

* Dates and/or amounts are subject to change.

General Information

In late 2000, Congress passed the San Gabriel Basin Drinking Water Initiative authorizing the creation of the Restoration Fund and \$75 million for groundwater cleanup in the San Gabriel Basin. In 2008, Congress authorized an additional \$50M for the Restoration Fund bringing the total authorization to \$125 million. Since that time, a total of \$90 million has been appropriated into the Restoration Fund and \$80M has been obligated by WQA to projects in the San Gabriel Basin. This request for proposals will allow the WQA to consider obligating the currently available funding totaling approximately \$10M. Please note that the WQA, at its discretion, may not obligate the entire amount available. Furthermore, direct costs of U.S. Bureau of Reclamation (USBR) and/or WQA may reduce the amount of funding available. This program requires a 35% non-federal match deposited into the Restoration Fund to reimburse the project up to a maximum of 65% from

federal sources. Funds from this program may be used for design, construction and treatment & remediation (T&R) for up to 10 years following construction. The Restoration Fund is administered via the USBR directly to the WQA for use within the San Gabriel Basin.

Congress acknowledged that millions of dollars have already been spent in the San Gabriel Basin to remediate and protect groundwater contamination and prevent further contamination. Therefore, Congress allowed the use of those dollars to be credited towards the 35% non-federal matching requirement under this program. The USBR is responsible for approving all qualifying prior expenditures, however, WQA, in its discretion, will use this credit to eliminate the need to provide an additional 35% of the project costs to release the Restoration Funds.

Eligible Projects

In April 2004, WQA expanded its involvement in cleanup projects to include nitrate removal under certain conditions. During its evaluation, WQA took into consideration the natural occurrence and pervasiveness of this constituent throughout the basin, particularly in the vadose zone. In addition, nitrates are characterized significantly different from other contaminants because it cannot be directly linked to potentially responsible parties.

However, in an effort to advance groundwater cleanup, WQA is now including nitrate removal as part of its federal funding award program subject to the following conditions:

1. Nitrate treatment WILL qualify if the well also requires the treatment of VOCs and emerging chemicals (nitrate will be evaluated in conjunction with the overall project)
2. Nitrate treatment WILL qualify if nitrate treatment was not a part of the original treatment project but is now required to maintain operation of the VOC/emerging chemical treatment portion of the project
3. WQA will NOT fund infrastructure necessary for purposes of treating nitrates through blending.

Eligibility for WQA Grant Funding

Proposed project must meet all of the following conditions:

1. Project must be located within the jurisdictional boundaries of the WQA
2. Applicant(s) must demonstrate that the project water will be put to beneficial use, with priority given to those projects which include an affected water purveyor and provides potable water, if applicable
3. Project must conform and further the objectives of the WQA §406 Plan or the intent thereof
4. Project must be consistent with the legislative intent of the statute(s) authorizing or appropriating the public funds used for project funding reimbursement
5. Project cannot have been used in calculating the 35% credit provision in the

Restoration Funds

7. Start of project construction for a new project must be anticipated within 12 months of executed agreement between WQA and applicant(s)
8. Applicant(s) must provide a plan that commits 100% of the required funds in WQA’s account in advance of each payment owed on the project and prior to each reimbursement request. See Attachment A for allowable reimbursement costs.
9. **Must conform to Section 70914 of the Bipartisan Infrastructure Law (also known as Infrastructure Investment and Jobs Act), Public Law 117-58.** For further information on the Buy America preference, please visit www.doi.gov/grants/BuyAmerica. [requirement by USBR added September 2022]

Priority Ranking Criteria

WQA will use the following criteria to grant reimbursement from the Restoration Funds and to determine the level of reimbursement. The answer to each question may be scored between 0 and 15 points, depending on the question. The individual scores are combined to provide a final project score. The higher project scores represent a higher ranked priority position within each category for available funding. The highest possible score a project may obtain is 100 points with the lowest score being 0 points. A bonus question is included to provide additional opportunity for a higher score against the total 100 points possible.

CATEGORY	SCORING RANGE	RESTORATION FUNDS
1	90-100	up to 65% capital and/or T&R
2	80-89	up to 50% capital and/or T&R
3	70-79	up to 40% capital and/or T&R
4	0-69	up to 30% capital and/or T&R

1	Is applicant(s) ready to proceed with the groundwater remediation project?	0 = not fully ready to proceed 10 = yes, ready to proceed
2	Does the project complement U.S. EPA’s plans? Is it consistent with U.S. EPA’s plans and the NCP?	0 = does not complement plan and is not consistent 5 = complements and is consistent w/EPA plans 10 = complements and is consistent w/ EPA plans and NCP

3	How effective is project relative to amount of water treated and made available for use? Does the project use technology consistent with BAT?	0 = not effective relative to amount treated & available for use 5= somewhat effective and consistent with BAT 10 = effective relative to amount treated & available for use, consistent with BAT
4	What are the impacts or potential impacts to the plume(s) within the Main San Gabriel Basin?	0 = No 5 = Some impact 15 = Very significant impact
5	Is project a joint cleanup and water supply project?	0 = Not a joint cleanup and supply project 5 = Only a cleanup project 15 = Yes, project is a joint cleanup/supply project
6	Is project partially or solely funded by affected purveyor(s)?	0 = n/a 5 = yes, partially funded by purveyor(s) 10 = yes, solely funded by purveyor(s)
7	Does the project address immediate water supply needs in the MSG Basin?	0 = No 15 =Yes
8	Does the project address a need for migration control?	0 = No 15 =Yes
BONUS QUESTION	Is project partially or solely funded by PRPs through an executed agreement?	0 = no PRP agreement 5 = yes, partially funded by PRPs with an agreement 10 = yes, solely funded by PRPs with an agreement

Application Process

Applicant(s) may apply for Restoration Funds for a groundwater remediation project by submitting a written request to the WQA following the opening of a Federal Funding Program Administration request for proposals. Staff will review and analyze request and determine if all eligibility requirements are met. If eligible, staff will rank the project and evaluate possible funding from the Restoration Funds.

WQA Authority

1. The WQA's jurisdiction includes the entire Main San Gabriel Basin as described in Section 201 of its enabling act. In 1984, the United States Environmental Protection Agency (USEPA) designated several areas in the San Gabriel Valley Superfund Site as Operable Units (OUs) with identifiable plumes of groundwater contamination. WQA recognizes that some areas of groundwater

contamination do not align with USEPA OU boundaries but still require remediation. The WQA acknowledges and will take into consideration all designated groundwater plumes, their respective sizes, potential threats to water supplies and clean areas, costs, and levels of contamination.

2. The WQA may, at its discretion, award funds to reimburse its costs related to projects owned and operated by the WQA.
3. Project capital costs (estimated or actual) provided by each applicant(s) does not include costs for USBR administrative charges or project costs incurred directly by WQA (separate costs). Therefore, WQA shall reserve a projected amount to cover all these additional costs.
4. Funding provided under the FFPA is subject to WQA's Procedure No. 42 which established a fee for services to support WQA's efforts in pursuing, obtaining, and securing all varieties of funding on behalf of producers. The fee, not to exceed 5%, is determined annually based the prior calendar year funding received and is invoiced separately to each producer.

ATTACHMENT A

SAN GABRIEL BASIN WATER QUALITY AUTHORITY ALLOWABLE PROJECT CAPITAL AND TREATMENT AND REMEDIATION COSTS

ALLOWABLE PROJECT CAPITAL COSTS

(Copies of Invoices Required on Items 1-9)

1. Outside Engineering & Design
2. Equipment
3. Contractor/Sub-Contractor
4. Energy/Utilities
5. Permit Fees
6. Laboratory Costs
7. Additional Required Property & Liability Insurance
8. Outside Legal Fees
 - a. General preparation and review of project documents (RFPs, contracts, etc.)
9. Land/Property
10. Interest
11. Direct Labor & Fringe (Summary Breakdown Req'd.)
 - a. Directly tracked labor (timesheets req'd.)
 - b. Medical benefits
 - c. Worker's Compensation
 - d. Payroll taxes
 - e. Pension/Retirement
 - f. Other employee benefits
12. Overhead (Summary Breakdown Req'd.)
 - a. Property taxes
 - b. General Property & Liability Insurance
 - c. Administrative & Management Salaries & Benefits
 - d. Vehicle Expense (not mileage)
13. Other Tracked Direct Costs (Breakdown Documentation Req'd.)
 - a. Postage
 - b. Shipping
 - c. Copies/Facsimiles
 - d. Phone
 - e. Vehicle mileage
 - f. Other tracked direct costs
14. Unique cost items for a specific project (Requires approval by WQA)
15. Conform with Section 70914 of the Bipartisan Infrastructure Law

ALLOWABLE PROJECT TREATMENT & REMEDIATION COSTS

(Copies of Invoices Required on Items 1-9)

1. Laboratory Costs
2. Consumables
3. Energy/Utilities
4. Incremental energy/utilities costs (Treatment Plant)

5. Permit Fees
6. Contractor/Sub-Contractor
7. Outside Legal Fees
 - a. General preparation and review of project documents (RFPs, contracts, etc.)
8. Equipment
9. Additional Required Property & Liability Insurance
10. Direct Labor & Fringe (Summary Breakdown Req'd.)
 - a. Directly tracked labor (timesheets req'd.)
 - b. Medical benefits
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