

## CHAPTER 8

### FINANCIAL ASSISTANCE PROGRAM POLICY

Sec. 8000     GENERAL POLICY.    The Placer County Water Agency adopts this Financial Assistance Program (FAP) to provide for the distribution of funds to public Districts<sup>1</sup> to improve the supply and reliability of water to the lands and inhabitants within the Agency’s boundary, and for the other purposes enumerated herein, consistent with the powers and duties prescribed in the Placer County Water Agency Act.

Sec. 8001     ALLOCATION OF FUNDS.    Each year as part of its annual budget process the Board may allocate a portion of Agency-wide revenue received from property tax revenue, Middle Fork Project water sales and Middle Fork Project Finance Authority distributions of net energy sales revenue, to provide financial assistance to Districts. FAP funding may be in the form of loans, grants or both. Funds allocated in any year for this purpose, but not appropriated during that year by the Board, shall be retained in the FAP reserve account for appropriation in future years.

Sec. 8002     PROJECTS OR PROGRAMS ELIGIBLE FOR FUNDING.    In order to be eligible for FAP funding, the District’s project or program must be:

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<sup>1</sup> “District” means any of the following: irrigation districts, county water districts, water conservation districts, water districts, soil conservation districts, municipalities, towns, flood control districts, and any other districts or political subdivisions of the state empowered by law to appropriate water and deliver water to water users; and that do not receive direct water supply benefits from the Agency’s Middle Fork Project.

- consistent with the powers and duties prescribed in the Agency Act;
- financially feasible and economically justified; and
- in compliance with all federal, state, and local laws and regulations and the provisions of this policy.

Further, projects and programs that are eligible for funding under this policy are those related to the protection, supply development, capture, conveyance, treatment, storage, transmission, distribution, conservation or recycling of water for beneficial use within the County, including the planning, environmental analysis, design and construction of facilities for such purposes. Also eligible are watershed protection, renewable energy and recreation projects which provide benefits to District customers.

Sec. 8003      COUNTY-WIDE MASTER PLAN. The Agency maintains a County-Wide Master Plan (CWMP) that is a database of projects for water, power and associated needs across the County. It also includes project guidelines to provide processes and procedures consistent with this policy. The CWMP was developed to facilitate the identification, prioritization and selection of eligible projects and programs. The CWMP will serve as a repository of potential FAP and stewardship capital projects.

Such projects and programs may include, but are not necessarily limited to, the following Elements, as defined in the CWMP:

1. Unserviced Areas - Development of new, or extension of existing, water systems to serve existing homes, neighborhoods and communities that do not have adequate domestic water supplies.
  
2. Water Infrastructure Reliability - Voluntary consolidation of water systems to streamline and improve governance or water supply reliability, or to reduce customer costs through improved economy of scale. Renewal and replacement of aging infrastructure. Treatment process improvements, including compliance with mandated water quality requirements and projects to improve water treatment process effectiveness or reliability. Reliability improvement projects, including development of alternative water supplies and installation of redundant supply facilities for use during primary supply outages, installation of backup power generation facilities, increased storage capacity, control system improvements, and mapping for improved planning and emergency response. Emergency financial aid in response to infrastructure failure or other matters threatening reliability of water systems.
  
3. Water Supply Reliability - Water rights protection, including environmental, engineering, and legal services. Water supply development, including needs assessment and supply feasibility studies. Groundwater management, including monitoring, planning, and implementation of programs.

4. Renewable Energy Development - Development of renewable energy projects, including hydropower, solar, and biomass sources of generation.
5. Watershed Stewardship - Source water quality protection programs including projects intended to reduce or prevent contaminants from entering the water system, or enhance the quantity and timing of runoff. Watershed forest restoration and fuel load reduction for control of potential forest fires, including biomass disposal. Support for habitat conservation plans and aquatic systems management plans that benefit water supply development, delivery or reliability. Support for rehabilitation, creation or enhancement of recreation facilities and opportunities associated with water supply facilities.
6. Agriculture - Programs and projects that promote sustainable agriculture, including water supply and delivery systems, water use efficiency, and minimization of water loss.
7. Conservation and Water Use Efficiency - Water conservation and water recycling programs, including program development studies, meter installation or replacement, installation of advanced meter infrastructure or other devices to promote water use efficiency and leak detection, conservation education programs, and conservation rebate and incentive programs.

8. Public Education and Outreach - Programs designed to educate and inform the public on importance of water and energy resources, protection, and sustainability.

Funding provided under this FAP shall not be used for the daily operation and maintenance of District systems or for funding the construction of facilities that normally are the financial responsibility of land developers or for capacity to serve new development, nor are funds provided under this policy to be considered continuous sources of funding/financing to be relied on for regular operation, maintenance or capital expenditures.

Sec. 8004     STRATEGIC OBJECTIVES. The Board of Directors shall set strategic objectives to prioritize CWMP Elements for FAP funding, which will be used in the FAP funding request submission and evaluation process. During the Agency’s budget process, the Board of Directors shall review and as needed, update the strategic objectives. These strategic objectives will be made known to the Districts in the funding request submission process.

Sec. 8005     FUNDING REQUEST SUBMISSIONS FOR LOANS AND GRANTS. Once the Board of Directors has approved the annual Agency Budget for the subsequent year, then funding requests from the CWMP may be submitted by Districts wishing to be considered for loans or grants from funds provided under this policy. Funding request submissions are due to the Agency on or before February 20<sup>th</sup> each year on the forms and/or format as specified by the Agency.

Sec. 8006      FUNDING REQUEST EVALUATION AND RECOMMENDATION. All FAP funding request submissions received shall be reviewed by Agency staff, who will use the general and element criteria as contained within the CWMP, as well as the Board established strategic objectives, to evaluate the funding requests and use results of this evaluation to make funding recommendations to the Board of Directors. It is recognized that resources are limited and that available funds may not be adequate each year to meet the amount of FAP funding requests received. It may be determined that all of the available funds be given to one or only a portion of the District requests because of their priority for need and the limitation of funds. Staff shall present its funding recommendations to the Board for its consideration on or before the 2<sup>nd</sup> regularly scheduled Board meeting in May of each year.

Sec. 8007      AWARD OF GRANTS AND LOANS. The Board shall consider staff's recommendations at a public meeting on or before the 2<sup>nd</sup> regularly scheduled Board meeting in June. After considering staff recommendations and public input, the Board shall make its decision on award of funds from the FAP, including any terms and conditions for such assistance, and specify whether funds shall be given in the form of a loan or a grant or a combination of a loan and a grant to any District.

Sec. 8008      DISBURSEMENT OF FUNDS. Funds approved for loans or grants to Districts under this FAP shall be disbursed under the following conditions:

- (a) A Funding Agreement template with terms and conditions shall be approved by the Board and the Board may delegate to the General Manager the authorization to enter into the Funding Agreement. Depending on the circumstances, other terms and conditions may be recommended by the Director of Financial Services and approved by the General Manager so long as those terms and conditions are consistent with this policy.
- (b) Funding agreements shall be entered into to provide for the disbursement and use of loans or grants under terms and conditions mutually agreeable to the Agency and the District so long as those terms and conditions are consistent with this policy. These terms and conditions shall provide for the disbursement of funds to accomplish the purposes of the loan or grant, but shall not be made in advance of the time the funds are needed by the District. Typically, the grants will be funded on a reimbursement basis for expenses incurred after the date the grant was awarded based on a reimbursement request submitted to the Agency. Terms and conditions for loans shall be set by the General Manager.
- (c) The Agency shall require in such agreements sufficient documentation from the Districts concerning the use of the funds, which may include the submission of a final study report or similar on the accomplishments achieved by the financial assistance. The Agency shall reserve the right to

audit all expenditures of such funds at any time for up to five years beyond the final payment of award.

(d) Loan repayments shall be made to the Agency and directed to the FAP account for appropriation by the Board.