

Water Replenishment District of Southern California

APPLICATION FOR WELL CONSTRUCTION AND REHABILITATION LOAN PROGRAM



LOAN PROGRAM PROCESS

Projects for the Program will be approved based on the review of completed applications, eligibility and prioritization criteria established by the District. Groundwater producers with completed applications will be placed on a candidate list for loan consideration. Projects shall remain on the candidate list unless the project receives other funding, is otherwise completed or the applicant submits a written request to be removed.

Eligibility

- Must be an entity within the WRD Service Area, and
- Must be a Party to the Central Basin Judgment or to the West Coast Basin Judgment
- The Party must demonstrate that the new well construction or well rehabilitation will increase their annual extraction beyond their most recent 5-year total extraction average by at least 10%.

Prioritization

The prioritization of applications will be based on the following:

- **Application Date:** While placement of a project on WRD's application list does not guarantee that a project will be approved, as a basic priority the "first applied, first considered" concept will be practiced.
- **Projects located in a Disadvantaged Community:** As referenced in the California Water Code, California Public Resources Code, California Department of Public Health State Revolving Fund, and the Integrated Regional Water Management Implementation Grant, a disadvantaged community is defined as a community with an annual Median Household Income (MHI) that is 80% of the statewide MHI. Disadvantaged Communities served by the proposed project will receive a higher priority for consideration than non-Disadvantaged Communities.
- **Not-for-profit public or governmental agencies, mutual water companies, or private citizens who are rights holders (i.e. cities, county, mutual water companies, individuals) receive higher priority over for-profit entities (i.e. investor owned utilities, industrial/commercial businesses).**

Policy Guidelines

The District will provide to successful applicants 10 year, no interest loans for new well construction and well rehabilitation projects. Note that any portion of the project commenced prior to executing the Program agreement will not be eligible for funding. Policy guidelines are outlined below:

- 1) The groundwater producer will be the lead agency responsible for managing all aspects of the well construction or rehabilitation project, including but not limited to hiring all consultants, contractors and vendors, obtaining all permits, and communicating with regulators, and for performing any environmental documentation such as CEQA. WRD may be able to assist the groundwater producer with any of these items at their request and assuming resources are available. Any monies expended by WRD for these services will become part of the Loan Program.
- 2) WRD will be an Agent of the groundwater producer for the duration of the project, authorized to attend meetings, review and comment on all documents and submittals by consultants and contractors, perform site visits during drilling and well construction, and receive copies of all project information for use in WRD's files and databases.
- 3) For inclusion in the Program, WRD must agree with the selection of any consultants or contractors hired for the project prior to their hiring, and with the design and location of the new well.
- 4) In addition to the design and construction of the new well, the Program may cover the costs for the well pump, meters, piping, and connections to the distribution systems, if authorized by the WRD Board of Directors.
- 5) The District shall review and approve of any and all invoices related to the Program prior to them being paid by the groundwater producer. WRD will reimburse the groundwater producer for the WRD-approved invoice within 60 days of payment. The amount will be added to the Program. WRD will not pay the consultant or contractor directly.
- 6) The groundwater producer will be the owner of the well, responsible for all operations and maintenance costs following completion of the well and for future maintenance and deconstruction of the well, if necessary.
- 7) The groundwater producer is responsible for the full Program Loan repayment whether or not the completed well produces the anticipated groundwater yield and quality.
- 8) Funding limits shall be subject to the Program Budget, established by the WRD Board of Directors.
- 9) All projects approved under this Program must commence within 90 days and be completed within 18 months of the effective date as stated in the Funding Agreement.

Well Rehabilitation Loans

The District will consider loaning money for the rehabilitation of wells that are currently unable to produce water due to collapsed or corroded casing or screen, clogged perforations, sediment infilling, or other reasons for a well losing partial or full capacity. If the well is not producing due to poor water quality issues, the groundwater producer may be eligible for WRD's SDWP instead of this well construction and rehabilitation loan program.

Contractual Arrangements

A completed application and a resolution adopted by the applicant's governing body authorizing the entity to apply for funding from the Program is required. The resolution must: 1) authorize an officer to sign the Funding Agreement, certifications, and any amendments, 2) designate a person to approve claims for reimbursement, 3) designate a person to sign the Budget and Expenditure Summary, 4) designate a person to sign the Certification of Project Completion, and 5) designate a person to sign the Final Release form. A sample resolution is provided on page 8 of this application. If the project is approved, a Funding Agreement will be required.

Repayment of Loan

Within a month after completion of the well construction or rehabilitation project, or as otherwise documented in the Program Funding Agreement, the groundwater producer will make the first initial payment of the loan as specified in the Funding Agreement and repayment schedule. The remaining installments will be paid quarterly according to the repayment schedule.

General Program Requirements and Conditions

Miscellaneous Conditions: Groundwater producers may not request funds to construct new wells if they have existing wells that are inactive due to water quality problems. The District may instead recommend wellhead treatment via the SDWP. Benefits of pumping in areas where water quality problems exist may benefit the basin more by removing contamination.

WRD retains the right to audit the performance of the well construction or rehabilitation project to ensure the project increased the applicant's annual extraction beyond their most recent 5-year extraction average by at least 10%.

CEQA Compliance: Activities funded under the Program regardless of funding source must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.). WRD may assist the groundwater producer in compliance with CEQA at their request.

Labor Compliance: Program recipients shall stay informed of and take all measures necessary to ensure compliance with California Labor Code requirements.

Application Submittal

Please fully complete all sections of the application. If more space is needed, answer on separate sheets of paper and label accordingly. If a question is not applicable, please indicate so with "N/A". Additional documents may be provided as supplemental information, but the application must be a stand-alone document containing all relevant information. If you have any questions, please contact Ted Johnson at (562) 275-4240 or tjohnson@wrd.org or Esther Valle Rojas at (562) 275-4259 or erojas@wrd.org.

Mail or Email Completed and Signed Application To:
Water Replenishment District of Southern California
Attn: Ted Johnson, Chief Hydrogeologist
4040 Paramount Blvd
Lakewood, CA 90712
tjohnson@wrd.org

Note that projects are awarded based on the prioritization listed on page 1. Only COMPLETED APPLICATIONS will be considered for potential funding.



Well Construction and Rehabilitation Loan Program Application

Part A. General Information

1. Name of Applicant's Water System _____
2. Type of Ownership: _____ Public Ownership _____ Private Ownership
3. Water System Identification (ID) Number or Alpha Number _____
4. Project Location, if known* _____
**Please include a site map of the well locations and label the map "Attachment A-4"*
5. Mailing Address _____
6. Current Year Estimated Population Served _____
7. Number of Active Water System Service Connections _____
8. Authorized Representative _____
(Name, Title and Telephone Number, e-mail address)

9. Principal Contact Person _____
(Name, Title and Telephone Number, e-mail address)

10. Is this application for a new well or rehabilitation of an existing well?

11. Estimated Amount of Funds Requested \$ _____
12. Proposed Schedule for Project Completion _____
13. Is the project within a disadvantaged community? _____
14. Number of existing active wells? _____
15. What is the 5-year total production average (for all wells)? _____ AFY
16. If applicable, what is the anticipated total production after new well or rehabilitation project is completed? _____ AFY

Part B. Technical Information

1. Briefly describe the proposed project. If more space is needed, please include a description as "Attachment B-1":

2. Describe any work that has been completed to-date (i.e. preliminary design, CEQA, geological investigations, etc.) If more space is needed, please include a description as "Attachment B-2": Note that previous work is not eligible for Program funding.

Part C. Environmental Documentation

Is the applicant or any other public agency acting as lead agency for the preparation of environmental documents pursuant to the California Environmental Quality Act (CEQA) for this project?

- Yes No

If "NO", please explain on a separate piece of paper and label "Attachment C".
 If "YES", please attach a copy of the document(s) from the following list that pertains to this project:

- Documents not yet determined**
- Negative Declaration/Initial Study**
- Environmental Impact Report**
- Resolution making CEQA findings**
- Notice of Determination filed with State Clearinghouse**
- Categorical Exemption**

Note: Some CEQA environmental documents may require circulation through the State Clearinghouse.

Part D. Financial Information

1. Table 1: Estimated Project Costs

Cost Classification	Estimated Project Cost \$	(A) Applicant \$ Contribution	(B) Other Loans and/or Grants Secured	(C) Funds Requested from Loan Program
A. Planning & Design				
B. Construction				
C. Engineering/Geology				
D. Other				
E. Equipment (pumps, motors, etc.)				
F. Land Acquisition				
G. Contingencies				
Total Funding Requirements <i>(Total required & Total (A+B+C) should match)</i>		Total (A)	Total (B)	Total (C)

2. Source of other funds - Please describe the sources of Other Loans and/or Grants Secured identified in Part D, Table 1 Column B of this Financial Information section. (If more space is needed, please include a description as "Attachment D-2".

3. Identify and describe the dedicated revenue source to be used for loan repayment. (If more space is needed, please include a description as "Attachment D-3".

CERTIFICATION AND SIGNATURE OF AUTHORIZED REPRESENTATIVE

I hereby certify that I am the authorized representative of this public or private water system and that the Information provided in this application and supporting information is accurate to the best of my knowledge.

Date

Signature

Name (Print)

Title

You are required to submit with the application a resolution adopted by your governing body patterned after the following which authorizes the organization to apply for funding from the Well Construction and Rehabilitation Loan Program and allows for the designation of an officer to sign and submit the application.

SAMPLE RESOLUTION

Resolution No. _____

WHEREAS, the (Applicant entity's legal name) has the authority to modify, operate, and maintain the (name of water system); and

WHEREAS, the (Applicant entity's legal name) desires to construct a new well or rehabilitate an existing well as part of the (name of water system), therefore;

BE IT RESOLVED by the (Applicant entity's legal name) that, pursuant and subject to all of the terms and provisions of the Well Construction and Rehabilitation Loan Program application be made to the Water Replenishment District of Southern California for funding; and

BE IT FURTHER RESOLVED that the (Authorized Representative) of said (Applicant entity's legal name) is hereby authorized and directed to cause the necessary data to be prepared and application to be signed and filed with the Water Replenishment District of Southern California.

Passed and adopted at a regular meeting of the (Applicant entity's legal name) of the (name of water system) on (day) of (month/year).

Signature: _____

Print name clearly: _____

Title: _____

Clerk of said Water Agency: _____

PLEASE NOTE: Prior to issuance of a Funding Agreement, a resolution will be required which 1) authorizes an officer to sign the Funding Agreement, certifications, and any amendments; 2) designates a person to approve claims for reimbursement; 3) designates a person to sign the Budget and Expenditure Summary; 4) designates a person to sign the Certification of Project Completion (for a construction project), and 5) designates a person to sign the Final Release form.