

MARCH 2023 Local/State/Federal Grant Update



Valley Water (Santa Clara Valley Water District) applied for and obtained \$22,774,242 in new grant awards so far in Fiscal Year 2023, with several more grant applications under review. Here is a summary of recent grant awards:



Valley Water Volunteers participate in cleanup efforts.

- Nine Creek Cleanup in Santa Clara County:** Valley Water has been awarded a \$3,150,000 grant for a nine-creek cleanup throughout Santa Clara County along with a focus on Coyote Creek Bank Rehabilitation in downtown San José. The grant is funded by the U.S. Environmental Protection Agency's San Francisco Bay Water Quality Improvement Fund.
- Calabazas/San Tomas Aquino Creek-Marsh Connection Project:** Awarded a \$3,800,000 grant from the U.S. Environmental Protection Agency's San Francisco Bay Water Quality Improvement Fund for additional planning regarding Pond A-4.
- South San Francisco Bay Shoreline Phase 1 Project:** Awarded a \$3,161,921 grant from the State Coastal Conservancy for the Shoreline Phase 1 project.
- Coyote Creek Flood Protection Project:** Valley Water has been recommended for a grant award of \$3,845,229 by the Bay Area Region for the Integrated Regional Water Management Round 2 grant program of the California Department of Water Resources (DWR).
- Pope Chaucer Bridge Replacement:** Working in collaboration with the San Francisquito Creek Joint Powers Authority, Valley Water has been awarded a \$3,000,000 Hazard Mitigation grant from the Governor's Office of Emergency Services (Cal OES) to replace the Pope Chaucer Bridge in Palo Alto. This Federal Emergency Management Agency (FEMA) grant is administered by Cal OES.
- Cross Valley Pipeline Extension:** Awarded a \$5,817,092 grant from DWR for the Cross Valley Pipeline Extension Project, which is a component of the Anderson Dam Seismic Retrofit Project. Executed agreement and initiated process to be fully reimbursed.

Activities on grants awarded in prior years

- Water Conservation Programs:** Prepared grant reimbursement for the full grant amount of \$709,000 associated with the Integrated Regional Water Management (IRWM) Round One

Grant from DWR expanding water conservation programs for residents.

- WaterSMART Drought Response Program:** Preparing to submit a reimbursement request for a \$200,000 grant from United States Bureau of Reclamation (USBR).

Pending Valley Water Grant Applications

- USBR Water Recycling Grants:** Applied for two U.S. Bureau of Reclamation (USBR) grants, including one for the San José-Santa Clara Purified Water Program Feasibility Study (\$381,249) under the new Large-Scale Water Recycling Grant Program and one for the South County Water Reuse Feasibility Study (\$299,180) under the Title XVI Reclamation and Reuse Program.
- Urban Community Drought Relief program:** Applied for two DWR grants, totaling \$36,000,000, to support drought relief at Valley Water, including the ozonation process at the Rinconada Water Treatment Plant and expanded water conservation programs.
- Coyote Percolation Dam Replacement Project:** Applied for a \$14,900,000 DWR grant under Round 2 of the Sustainable Ground Water Management Act (SGMA) Implementation Grant program. The project will replenish groundwater and maintain a reliable water supply while improving fish passage as part of the Anderson Dam Seismic Retrofit Project.
- Enhanced Water Conservation Program Grant:** Applied for a \$2,000,000 USBR WaterSMART Water and Energy Efficiency (WEEG) grant to support water conservation programs.
- Treated Water Augmentation Pilot Study:** Applied for an \$800,000 USBR grant for a pilot study of treated water augmentation gauging the potential impacts on infrastructure and water quality when blending purified water with conventional drinking water on a pilot-scale distribution system. The project will be conducted in collaboration with the University of California at Berkeley and Stanford University.

Future grant opportunities

Federal

- Large-Scale Water Recycling Program:** Valley Water anticipates the forthcoming release of a Notice of Funding Opportunity (NOFO) for this new grant program created under the Bipartisan Infrastructure Law. The program will provide \$450,000,000 over the next five years to projects in the Western United States that have a total project cost greater than or equal to \$500,000,000. The total Federal cost share will be 25%, with no per-project maximum. Large-scale recycled water projects will play an important role in helping communities develop local, drought-resistant sources of water supply by turning currently unusable water sources into a new source of water supply that is less vulnerable to drought and climate change.

Projects will become eligible to compete for funding under the Large-Scale Water Recycling Program after USBR has reviewed a feasibility study submitted by the sponsor and has informed Congress that the project meets USBR's requirements. On February 28, 2023, Valley Water applied for two feasibility studies under the USBR's WaterSMART program that could serve as the foundation for future proposals under the Large-Scale Recycling Program for Valley Water's Purified Water Project.

- **Bipartisan Infrastructure Law:** Actively monitoring federal grant opportunities relevant to Valley Water. Researching and developing grant opportunity calendar for Valley Water projects.

WaterSMART Grants Explored

- **Groundwater Banking Planning Grant:** USBR is awarding \$1,114,000 in WaterSMART Water Marketing Grants to seven projects in California, Colorado, Utah, and Washington. These grants will provide cost-shared financial assistance for the selected entities to develop water marketing strategies to establish or expand water markets or water marketing activities. Valley Water is exploring two major categories for groundwater banking opportunities, including participation in a large-scale project and the development of a suitable Valley Water owned groundwater banking facility with local agency partners.

State

- **Adaptation Planning:** Members of Valley Water's Treasury, Debt, and Grants Management Unit and the Office of Government Relations met with the Governor's Office of Planning and Research last October to exchange ideas about potential Valley Water projects. The Adaptation Planning Grant Program (APGP) will provide \$25,000,000 to help fill local, regional, and tribal planning needs, provide communities the resources to identify climate resilience priorities, and support the development of a pipeline of climate resilient infrastructure projects across the state. Valley Water is developing a grant application to create a cost benefit analysis of maintenance activities on the San Tomas Aquino Creek. The grant is due on March 31, 2023.

Transportation-related grants

Valley Water is exploring two different transportation-related grants in FY23. The federal grant focuses on transit capital, operating assistance, and transportation-related planning in urban areas. The state grant aims to beautify public spaces, especially for underserved communities.

In 2016 the US Department of Transportation's (DOT) Federal Transit Administration (FTA) released a funding opportunity called the Urbanized Area Formula Grants. The grant seeks to fund urbanized areas for transit capital and operating assistance for transportation-related planning. The funding is then allocated to the different nationally designated regions. The FTA provides the funding to local transportation systems as grantees. For the Bay Area, CalTrans distributes the federal funding. CalTrans will solicit community organizations, districts, nonprofits, and other stakeholders to apply for a grant as sub-grantees. Valley Water has reached out to CalTrans for the solicitation dates for this fiscal year.

Clean California is a beautification grant with a total of \$100,000,000 available in funding with a grant limit of \$5,000,000. Solicited through the California Department of Transportation, the grant looks to reduce debris, enhance public spaces to mitigate urban heat island effect, and advance equity in underserved communities. The grant requires a 50% match, and all projects must be completed by June 2026. The application for this grant will close April 28, 2023.

District-Wide Collaboration

- **Grants Action Team (GAT):** GAT offers strategic direction regarding grants and includes the Treasury, Debt, and Grants Management Unit, the Office of Government Relations, the Business Planning and Analysis Unit, Office of District Counsel, and other key stakeholders needed to identify and pursue state and federal grant opportunities. The GAT has discussed and advanced several grant applications, including authorizing five new grants so far this year alone. The GAT is developing a grant opportunity calendar and rating system to allow for more informed grant decision making.



View of Anderson Dam & spillway.

Questions?

Please contact Grants Administrator **Michael Hagerty** via email at MHagerty@valleywater.org or by calling **408-630-3084**.

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, use our **Access Valley Water** customer request system at access.valleywater.org.



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