

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE  
SEPTEMBER 16, 2008**

**ITEM 3**

**SUBJECT**

CONSIDERATION OF A RESOLUTION ON THE 2008/2009 CLEAN WATER STATE REVOLVING FUND (CWSRF) INTENDED USE PLAN (IUP) AND 2009 FEDERAL CAPITALIZATION GRANT

**DISCUSSION**

Federal law and regulation require the State Water Resources Control Board (State Water Board) to submit an annual IUP to the U.S. Environmental Protection Agency (U.S. EPA). The Division of Financial Assistance (Division) prepared a draft State Fiscal Year (SFY) 2008/2009 IUP consistent with federal requirements. A copy of the draft SFY 2008/2009 IUP is contained in [Exhibit A](#).

The IUP explains how the Division will implement the CWSRF Program during SFY 2008/2009. It also identifies the sources and uses of funds for the Program, the projected financial agreements, and how those financial agreements address state and regional water quality priorities. The IUP includes activities planned for the year and associated performance measurements to monitor the CWSRF Program outcomes and goals.

State Water Board staff notified the stakeholders and interested parties of their opportunity to comment for 30 days on the draft SFY 2008/2009 IUP.

The SFY 2008/2009 IUP assumes that California will receive a grant from U.S. EPA of approximately \$45 million in Federal Fiscal Year (FFY) 2009. Upon approval of the Federal budget for 2009, the final grant amount will be determined. The Resolution authorizes the Executive Director to apply for and accept the FFY 2009 Capitalization Grant and any amendments to the FFY 2009 Capitalization Grant.

Federal grants require a 20 percent state match. A \$45 million grant requires matching funds of \$9 million. These are provided by a combination of local match contributions from local agencies participating in the local match program, transfers of any unobligated funds from the Water Quality Control Fund, and funds from Proposition 84 passed by the voters in November 2006.

**POLICY ISSUES**

Should the State Water Board:

1. Approve the SFY 2008/2009 IUP?
2. Authorize the Executive Director to apply for and accept the FFY 2009 Capitalization Grant and any amendments to the Grant?

## **REGIONAL WATER BOARD IMPACT**

The SFY 2008/2009 IUP will help municipalities and other eligible applicants implement projects that comply with Regional Water Board discharge requirements or enforcement orders, or that contribute to Basin Plan Goals.

## **FISCAL IMPACT**

The State Water Board has approximately \$99,789,959 more in matching funds than required to match all previous grant awards. The state match of \$9 million for the FFY 2009 Capitalization Grant will leave a balance of approximately \$90,789,959 in match funds for future Capitalization Grants.

## **STAFF RECOMMENDATION**

The State Water Board should:

1. Approve the SFY 2008/2009 IUP; and
2. Authorize the Executive Director to apply for and accept the FFY 2009 Capitalization Grant and any amendments to the Grant

# **D R A F T**

## **STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2008-**

### **2008/2009 CLEAN WATER STATE REVOLVING FUND (CWSRF) INTENDED USE PLAN (IUP) AND 2009 FEDERAL CAPITALIZATION GRANT**

#### **WHEREAS:**

1. The Division of Financial Assistance prepared a draft State Fiscal Year 2008/2009 IUP in compliance with federal rules;
2. The IUP must be submitted to the United States Environmental Protection Agency annually;
3. California will be eligible to receive a Grant estimated at \$45 million for Federal Fiscal Year (FFY) 2009;
4. The state match of about \$9 million will be provided from Proposition 84, the Water Quality Control Fund, and local match contributions; and
5. Authority is needed for the Executive Director to apply for and accept the FFY 2009 Capitalization Grant and any amendments to the Grant.

#### **THEREFORE BE IT RESOLVED THAT:**

##### **The State Water Resources Control Board:**

1. Approves the SFY 2008/2009 IUP; and
2. Authorizes the Executive Director to apply for and accept the FFY 2009 Capitalization Grant and any amendments to the Grant.

#### **CERTIFICATION**

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on September 16, 2008.

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Jeanine Townsend  
Clerk to the Board