

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION
DIVISION OF FINANCIAL ASSISTANCE AND DIVISION OF WATER QUALITY
MARCH 17, 2009**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION TO AUTHORIZE THE EXECUTIVE DIRECTOR TO APPLY FOR AND ACCEPT FEDERAL ECONOMIC RECOVERY GRANTS AND ANY AMENDMENTS TO THE GRANTS AND EXECUTE COOPERATIVE AGREEMENTS WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (U.S. EPA) AND/OR THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

DISCUSSION

California's and the nation's economy are in a significant recession. The federal economic recovery package provides a combination of tax and spending measures designed to create jobs, stimulate the economic recovery, and invest in technology and infrastructure for long-term benefit. The State Water Resources Control Board (State Water Board) is eligible to receive funds from the federal economic recovery package that must be committed quickly to eligible projects. This resolution will help implement federal economic recovery efforts while maximizing the benefit to California's infrastructure and water quality needs.

The Division of Financial Assistance provides moneys to assess and cleanup petroleum contamination from leaking underground storage tanks (USTs) through several programs, including the Underground Storage Tank Petroleum Contamination Orphan Site Cleanup Fund (Orphan Site Cleanup Fund) and the Emergency, Abandoned and Recalcitrant (EAR) Subaccount in the Underground Storage Tank Cleanup Fund. The Orphan Site Cleanup Fund provides financial assistance to eligible applicants for project sites that meet several conditions including that the project site has been contaminated by a leaking petroleum UST and the site meets the definition of a brownfield contained in section 25299.50.2 of the Health and Safety Code. The EAR Subaccount provides funding to the State Water Board, Regional Water Quality Control Boards (Regional Water Boards), or local agencies for costs of corrective action at project sites contaminated by leaking petroleum USTs. Economic recovery funds are available for these project sites.

The Division of Water Quality, in cooperation with the DTSC, receives funding from the U.S. EPA's State Response Program and Brownfields Program for work on brownfield sites. Moneys from the State Response Program are used to fund interagency cooperation efforts and general brownfield outreach efforts to local government agencies and other interested parties such as developers. DTSC, in coordination with the Division of Water Quality, also uses up to 50 percent of the funding from the State Response Program to provide financial assistance for site investigations at brownfield sites through the Targeted Site Investigation Program. The Brownfields Program provides direct funding for assessment and cleanup at brownfield sites. Economic recovery funds are available for these project sites.

California expects to receive approximately \$15 million in economic recovery grant funds from the U.S. EPA, Leaking Underground Storage Tank (LUST) Trust Fund in Federal Fiscal Year 2009. California also expects to receive additional economic recovery grant funds from the U.S. EPA for assessment and cleanup at brownfield sites in Federal Fiscal Year 2009. The amount of this funding is unknown, but it may be as much as \$10 million. California may receive additional economic recovery grant funds from the U.S. EPA, LUST Trust Fund and for assessment and cleanup at brownfield sites in Federal Fiscal Year 2010. This resolution authorizes the Executive Director, or designee, to apply for and accept Federal Economic Recovery Grants and any amendments to the grants and to execute Cooperative Agreements with U.S. EPA and/or the DTSC.

POLICY ISSUE

Should the State Water Board authorize the Executive Director, or designee, to apply for and accept Federal Economic Recovery Grants and any amendments and to execute Cooperative Agreements with U.S. EPA and/or the DTSC that are necessary to implement the federal economic recovery efforts?

FISCAL IMPACT

The Federal Economic Grant funds will provide additional capital to assess and cleanup petroleum contamination from leaking USTs and to assess and cleanup brownfield sites. The Federal funds will supplement other sources of State funding for assessing and cleaning up petroleum contamination from leaking USTs and assessing and cleaning up brownfield sites.

REGIONAL WATER BOARD IMPACT

The additional funds from U.S. EPA will help Regional Water Boards cleanup contaminated sites.

STAFF RECOMMENDATION

That the State Water Board adopt a resolution to authorize the Executive Director, or designee, to apply for and accept the Federal Economic Recovery Grants and any amendments and to execute Cooperative Agreements with U.S. EPA and/or the DTSC.

State Water Board action on this item will assist the Water Boards in reaching Goal 2 of the Strategic Plan Update: 2008-2012 to improve and protect groundwater quality in high use basins by 2030. In particular, approval of this item will assist in fulfilling Objective 2.3, which is to ensure the viability of high groundwater basins, where appropriate through waste discharge requirements and the cleanup of contamination.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2009-

AUTHORIZE THE EXECUTIVE DIRECTOR TO APPLY FOR AND ACCEPT FEDERAL ECONOMIC RECOVERY GRANTS AND ANY AMENDMENTS TO THE GRANTS AND EXECUTE COOPERATIVE AGREEMENTS WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (U.S. EPA) AND/OR THE CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL (DTSC)

WHEREAS:

1. California will be eligible to receive a Federal Economic Recovery Grant from the Leaking Underground Storage Tank Trust Fund estimated at \$15 million for Federal Fiscal Year 2009;
2. California will be eligible to receive a Federal Economic Recovery Grant for assessing and cleaning up brownfield sites estimated at \$10 million for Federal Fiscal Year 2009;
3. California may be eligible to receive Federal Economic Recovery Grants from the Leaking Underground Storage Tank Trust Fund and for assessing and cleaning up brownfield sites for Federal Fiscal Year 2010;
4. Authority is needed for the Executive Director to apply for and accept Federal Economic Recovery Grants and any amendments; and
5. The Federal funds will supplement other sources of State funding for assessing and cleaning up petroleum contamination from leaking underground storage tanks and for assessing and cleaning up brownfield sites.

THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board (State Water Board):

1. Authorizes the Executive Director, or designee, to apply for and accept Federal Economic Recovery Grants and any amendments; and
2. Authorizes the Executive Director, or designee, to execute Cooperative Agreements with U.S. EPA and/or the DTSC.

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 Board held on March 17, 2009.

Jeanine Townsend
Clerk to the Board