

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
OCTOBER 6, 2009**

ITEM 3

SUBJECT

CONSIDERATION OF A RESOLUTION FOR THE ADOPTION OF THE 2009/2010 INTENDED USE PLAN (IUP) FOR THE CLEAN WATER STATE REVOLVING FUND

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) 2009/2010 IUP consistent with federal requirements. A copy of the draft SFY 2009/2010 IUP is contained in [Exhibit A](#).

The IUP explains how the Division will implement the CWSRF Program during the SFY 2009/2010. It also identifies the sources and uses of funds for the CWSRF Program, the projected financial agreements, and how it addresses 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 on the draft SFY 2009/2010 IUP.

The SFY 2009/2010 IUP assumes that California will receive a Federal Fiscal Year (FFY) 2010 capitalization grant from U.S. EPA of approximately \$170 million. The final grant amount will be determined by U.S. EPA after approval of the federal budget for 2010. Federal grants require a 20 percent state match. A \$170 million grant requires matching funds of \$34 million. These will be provided by a combination of contributions from local agencies participating in the match-financing 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 approve the SFY 2009/2010 IUP?

REGIONAL WATER BOARD IMPACT

The SFY 2009/2010 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

As of August 17, 2009, the State Water Board has been awarded \$1,979,775,023 in federal Capitalization Grants. The State Water Board expects to receive the federal year 2009 grant for \$48,667,707 during SFY 2009/2010 and estimates that it will receive a federal year 2010 grant of approximately \$170 million. The estimated funds required to match grants through federal year 2010, is \$439,688,546. As of August 17, 2009, the State Water Board has provided \$547,325,146 in match funds to the CWSRF Program. Therefore, the State Water Board has excess funds to match Capitalization Grants expected through federal year 2010 by at least \$107 million. Excess matching funds will be used to match additional federal grants.

STAFF RECOMMENDATION

The State Water Board should approve the SFY 2009/2010 IUP.

State Water Board action on this item will assist the Water Boards in reaching the following Goals of the Strategic Plan Update 2008-2012: Goal 1: to implement strategies to fully support the beneficial uses for all 2006-listed water bodies by 2030. Goal 5: Improve transparency and accountability by ensuring that Water Board goals and actions are clear and accessible, by demonstrating and explaining results achieved with respect to the goals and resources available, by enhancing and improving accessibility of data and information, and by encouraging the creating of organizations or cooperative agreements that advance this goal, such as establishment of a statewide water data institute.

D R A F T

STATE WATER REOURCES CONTROL BOARD RESOLUTION NO. 2009-

ADOPTION OF THE 2009/2010 INTENDED USE PLAN (IUP) FOR THE CLEAN WATER STATE REVOLVING FUND

WHEREAS:

1. The Division of Financial Assistance prepared a draft State Fiscal Year 2009/2010 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 \$170 million for Federal Fiscal Year 2010;
4. The state match of about \$34 million will be provided from Proposition 84, the Water Quality Control Fund, and match contributions from local agencies.

THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board (State Water Board) approves the State Fiscal Year 2009/2010 Intended Use Plan (IUP).

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 October 6, 2009.

Jeanine Townsend
Clerk to the Board