

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
SEPTEMBER 15, 2009**

ITEM 5

SUBJECT

CONSIDERATION OF A RESOLUTION FOR THE ADOPTION OF THE CLEAN WATER STATE REVOLVING FUND (CWSRF) PROJECT PRIORITY LIST (PPL) FOR STATE FISCAL YEAR (SFY) 2009/2010

DISCUSSION

The CWSRF is a joint federal and state program that provides financial assistance to local governments and non-governmental organizations (NGOs) in California for construction of wastewater treatment and recycling facilities, implementation of non-point source and storm drainage pollution correction measures, and development and implementation of estuary enhancement and management programs. Since its inception in 1989, the CWSRF Program provided more than \$4.5 billion in financial assistance to local governments and NGOs in California.

In accordance with the Clean Water Act and Federal regulations, the staff of the Division of Financial Assistance (Division) updated and published the SFY 2009/2010 CWSRF PPL. A project must appear on the PPL to be eligible to compete for financial assistance.

The PPL is based on a five-year planning period. Each project on the PPL identifies the year the agency expects financial assistance will be needed. The first year of the five-year planning period is known as the fundable year. It is reserved for those projects that have received a Preliminary Funding Commitment (PFC). All projects not on the fundable portion of the PPL, the remaining four years, compete on a first-come, first-served basis for PFCs until all available funds are committed.

The amount of funds available at any time for new PFCs is based on the CWSRF's projected cash flow. The cash flow includes anticipated federal funding, state funds that can be used to fulfill the required state match, repayments from existing financing agreements, projected disbursements for existing funding commitments, the sale of revenue bonds, and a minimum CWSRF balance of \$25 million. (Federal appropriations and project disbursements are uncertain; the amount available for funding commitments might be higher or lower than estimated).

The SFY 2009/2010 CWSRF PPL, contained in [Exhibit A](#), reflects recommendations submitted by all nine Regional Water Quality Control Boards (Regional Water Boards) and State Water Resources Control Board (State Water Board) staff. Staff notified subscribers of the State Water Board's electronic mailing list of the opportunity to add, delete, or modify projects on the proposed PPL. The PPL was posted for review on the State Water Board website from June 3, 2009 to June 30, 2009. [Exhibit B](#) is a summary of the additions, deletions, and modifications requested by the public and the actions Division staff made in response to those requests by the public and interested parties.

The State Water Board is implementing the CWSRF Program, and estimates that there will be about \$350 million available for new CWSRF loans and other forms of funding assistance in SFY 2009/2010. Additional cash will be available in future years that can also be committed to projects. Based on the projected availability of funds, the Division recommends that the State Water Board make the funds in the CWSRF account available to projects in Priority Classes A through D listed on the PPL and all Needs Categories.

POLICY ISSUES

Should the State Water Board:

1. Adopt the SFY 2009/2010 CWSRF PPL?
2. Approve the placement of projects in Priority Classes A through D and all Needs Categories on the fundable portion of the SFY 2009/2010 CWSRF PPL?

FISCAL IMPACT

The development and adoption of the PPL is a requirement of the Federal Clean Water Act and associated regulations. The staff required to administer financial assistance for projects on the fundable portion of the PPL is funded by a four percent administrative set-aside from each Federal Capitalization Grant and service charges applied to loans and other financing.

Staffing levels approved for the Division for SFY 2009/2010 will be sufficient to review and process projects from the fundable portion of the PPL that are expected to submit documents for review.

There will be no change in CWSRF Program administration costs due to adoption of this resolution.

REGIONAL WATER BOARD IMPACT

Yes - All Regional Water Boards.

STAFF RECOMMENDATION

The State Water Board should:

1. Adopt the SFY 2009/2010 CWSRF Priority List; and
2. Approve the placement of projects in Priority Classes A through D and all Needs Categories on the fundable portion of the SFY 2009/2010 CWSRF Priority List.

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.

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STATE WATER REOURCES CONTROL BOARD RESOLUTION NO. 2009-

ADOPTION OF THE STATE REVOLVING FUND (SRF) PROJECT PRIORITY LIST (PRIORITY LIST) STATE FISCAL YEAR (SFY) 2009/2010

WHEREAS:

1. The Division of Financial Assistance (Division) developed the SFY 2009/2010 Priority List ([Exhibit A](#)) based on input from the Regional Water Quality Control Boards, staff of the State Water Resources Control Board (State Water Board), and the public, consistent with the Federal Clean Water Act;
2. The State Water Board has sufficient funds to process new financial assistance applications for the CWSRF program; and
3. Up to four percent of the SFY 2009 Federal Capitalization Grant is available for State administration.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Adopts the SFY 2009/2010 CWSRF Priority List; and
2. Approves the placement of projects in Priority Classes A through D and all Needs Categories on the fundable portion of the SFY 2009/2010 CWSRF Priority List;

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 September 15, 2009.

Jeanine Townsend
Clerk to the Board