

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
MARCH 3, 2015**

ITEM 3

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO SUBVENTION CONTRACTS UP TO \$10,000,000 FOR DRINKING WATER LOCAL ASSISTANCE

DISCUSSION

The Capacity Development Technical Assistance Program (Program) currently administered by the State Water Resources Control Board (State Water Board) is mandated by the 1996 federal Safe Drinking Water Act (SDWA) and provided with funding through the Capitalization Grant (Grant) set aside. Non-implementation of the Program could result in a 20% reduction of the Grant. In addition to being mandated, the State Water Board's Program also supports the Human Right to Water (Assembly Bill 685) because it assists disadvantaged communities with obtaining and maintaining safe drinking water.

The State Water Board currently contracts with three third-party technical assistance providers: California Rural Water Association, Rural Communities Assistance Corporation and Self Help Enterprises. The contracts provide statewide training of approximately 3,500 operators representing approximately 866 separate water systems and provide direct technical assistance for approximately 275 separate water systems per year at a cost of approximately \$2.7 million per year. The third-party providers not only provide direct technical, managerial and financial (TMF) resources but also much needed assistance with acquiring funding.

Many small water systems in the state struggle to comply with existing and new drinking water standards because of a lack of TMF capacity and funds. Most of the small systems that need funding do not have the expertise to navigate the application process nor to provide required documentation to receive funding. The need for such assistance has increased under the new Drinking Water State Revolving Fund (DWSRF) Policy with the increase in eligibility of project types.

The DWSRF Program has contracted with these technical assistance providers consistently over the last decade, allowing them to develop and maintain staff with water system experience and expertise and develop valuable relationships with small water systems. Continuity and consistency of services delivered under this Program is essential to small water system sustainability.

POLICY ISSUE

Should the State Water Board adopt a resolution authorizing the Executive Director or designee to enter into subvention contracts up to \$10,000,000 for Drinking Water Local Assistance over a period of three years, with no single third party technical service provider receiving more than \$2,000,000 in any given fiscal year?

FISCAL IMPACT

The DWSRF Local Assistance Set Aside has \$10,000,000 available for this purpose. State Water Board’s staff cost to administer this Program can be accomplished within budgeted resources.

DISTRICT OFFICE IMPACT

Yes. Continued funding will allow District Office staff to continue referring water systems to the State Water Board to receive technical assistance.

HUMAN RIGHT TO WATER ANALYSIS

Staff have considered Section 106.3 of the Water Code (added by Assembly Bill 685 [Stats. 2012, ch. 524]). This proposed action supports the Human Right to Water because it will assist disadvantaged communities with obtaining safe drinking water by providing technical assistance needed to obtain financing for safe drinking water projects.

STAFF RECOMMENDATION

The State Water Board should adopt the proposed Resolution.

State Water Board action on this item will assist the Water Boards in reaching Goal 6 of the Strategic Plan Update: 2008-2012 to enhance consistency across the Water Boards, on an ongoing basis, to ensure our processes are effective, efficient, and predictable, and to promote fair and equitable application of laws, regulations, policies, and procedures.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2015-

AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE
TO ENTER INTO SUBVENTION CONTRACTS UP TO \$10,000,000
FOR DRINKING WATER LOCAL ASSISTANCE

WHEREAS:

1. The Capacity Development Technical Assistance Program (Program) for small water systems is mandated by the federal Safe Drinking Water Act;
2. The State Water Resources Control Board's (State Water Board's) federal Capitalization Grant could be reduced by 20% for non-compliance with this mandate;
3. The State Water Board currently administers the Program under subvention contracts with California Rural Water Association, Rural Communities Assistance Corporation and Self Help Enterprises to provide technical assistance;
4. The Program's technical assistance contracts have trained approximately 3,500 drinking water operators representing approximately 866 water systems, and provided direct technical assistance to approximately 275 water systems per year at a cost of \$2.7 million per year;
5. The need for technical assistance has increased under the new Drinking Water State Revolving Fund (DWSRF) Policy with the increase in eligible project types; and
6. The proposed action supports the Human Right to Water because it will assist disadvantaged communities with obtaining safe drinking water.

THEREFORE BE IT RESOLVED THAT:

The State Water Board authorizes the Executive Director or designee to enter into subvention contracts up to \$10,000,000 for Drinking Water Local Assistance over a period of three years, with no single third party technical service provider receiving more than \$2,000,000 in any given fiscal year.

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 March 3, 2015.

Jeanine Townsend
Clerk to the Board