



**CALIFORNIA WATER BOARDS**  
**State Water Resources Control Board**  
**Regional Water Quality Control Boards**

**Water Board Function:** Financial assistance - General

**Water Board Program(s) Relevant to Function:**

*[please see following sheets on specific funding sources]*

**Problem/Issue Description:**

The ongoing activities of pollution prevention and cleanup occurs at some expense to the regulated community. These activities can include the construction of treatment facilities, or the implementation of measures, to address or avoid water quality problems. To assist individuals and businesses in meeting the costs of pollution control and remediation, which can sometimes be unexpected and catastrophic, the State Water Board administers various State and federal loan and grant programs. The funding is used for construction of municipal sewage and water recycling facilities, remediation for underground storage tank releases, watershed protection projects, nonpoint source pollution control projects, water recycling facilities, and other water protection projects.

**Overview of Function:**

*[please see following sheets on specific funding sources]*

**Role of Water Board Staff:**

Regional Board staff may advise Regional Board on worthy projects. State Board staff administers loans and grants program, makes recommendations to Deputy Director, Executive Director, and State Board.

**Role of Regional Board Members:**

May advise and make recommendations to State Board concerning worthy local and regional projects.

**Role of State Board Members:**

Administers directly and through delegation the loan and grant programs providing funding for local and regional projects.

**Primary Issues of Concern:**

*[please see sheets on specific funding sources]*

**Definition of Key Terms:**

*[please see following sheets on specific funding sources]*



**CALIFORNIA WATER BOARDS**  
**State Water Resources Control Board**  
**Regional Water Quality Control Boards**

**Water Board Function:** Financial assistance -- CWSRF  
 To administer the State Water Resources Control Board's financial assistance programs.

**Water Board Program(s) Relevant to Function:**  
 Clean Water State Revolving Fund (CWSRF) Program

**Problem/Issue Description:**  
 The construction of facilities or implementation of measures is generally necessary to address water quality problems and to prevent pollution of the waters of the State. The CWSRF Program provides low-interest loan funding for pollution control and prevention projects such as the construction of publicly-owned wastewater treatment facilities, local sewers, sewer interceptors, water reclamation facilities, as well as expanded use projects such as implementation of nonpoint source (NPS) projects or programs, development and implementation of estuary Comprehensive Conservation and Management Plans, and storm water treatment.

**Overview of Function:**  
 The federal Clean Water Act provides states the opportunity to establish a CWSRF loan program to help each state achieve the goal of clean water. The CWSRF, comprised of both federal and State monies, funds publicly owned treatment systems, non-point source projects, and estuary protection projects with low-interest loans. Since 1989, California's CWSRF has provided over \$4 billion in low-interest loans for over 350 wastewater/water recycling facilities and non-point source water quality improvement projects. California receives annual capitalization grants from U.S. EPA and provides a 20% match via State bonds and local funds. The Water Board issued \$300 million in revenue bonds in 2002, and has approved an additional \$300 million in bonds to be issued when needed. The program issues about \$400 million annually in new loans, and services about 350 outstanding loans totaling more than \$2.3 billion receivable.

**Role of Water Board Staff:**  
 Develop guidelines, develop annual Priority List/Intended Use Plan and Annual Report, assist applicants, review applications and approve funding, coordinate CWSRF funding with other funding (internally and externally), make disbursements and collect payments, and report to/coordinate with U.S. EPA.

**Role of Regional Board Members:**  
*[see Financial assistance – General]*

**Role of State Board Members:**  
*[see Financial assistance – General]*

**Primary Issues of Concern:**

- Declining federal grants (trend may change with new Congress)
- Affordability of funding for small communities
- First time development of regulations for program

**Definition of Key Terms:**

Capitalization Grant: Seed money from U.S EPA.

Intended Use Plan: Annual business plan.

Priority List: List of projects that may submit an application.

Revenue Bonds: Funds loaned to the CWSRF by investors to implement additional projects.



## CALIFORNIA WATER BOARDS

### State Water Resources Control Board

### Regional Water Quality Control Boards

**Water Board Function:** Financial assistance -- WRFP

To administer the State Water Resources Control Board's financial assistance programs.

**Water Board Program(s) Relevant to Function:**

Water Recycling Funding Program (WRFP)

**Problem/Issue Description:**

As California's population grows and competition for limited water supplies increases, water recycling is becoming a more attractive strategy for improving water supply reliability in the State. The WRFP provides financial support to implement the Water Recycling Act, which established a "statewide goal to recycle a total of 700,000 acre-feet of water per year by the year 2000, and 1,000,000 acre-feet per year of water by the year 2010".

**Overview of Function:**

The WRFP promotes the beneficial use of treated municipal wastewater by providing grants and loans to local agencies to plan, design, and construct water recycling facilities. The WRFP provides technical and financial assistance to agencies and other stakeholders in support of water recycling projects and research. Since the late-1970s, the WRFP has distributed close to \$132 million in planning and construction grants and approximately \$509 million in low interest loans for construction of water recycling facilities. The WRFP's core activities are to review and process requests for funding of water recycling planning and construction projects in accordance with the WRFP funding Guidelines. In January 2007, the State Water Board approved the Strategic Plan for calendar years 2007 and 2008 for the WRFP. The Plan establishes a strategic goal, sets program objectives, and identifies specific measures and targets for tracking program performance.

**Role of Water Board Staff:**

Develop guidelines, develop competitive project list, assist applicants in developing successful projects/studies, review applications for construction/planning, approve funding, review project design plans, oversee project construction and operation, review recycled water annual deliveries reports, and review facilities planning study reports. Coordinate WRFP funding with other funding (internally and externally), and make disbursements and collect payments. Regional Board staff ensures protection of water quality consistent with regional basin plans through issuance of permits to water recycling facilities.

**Role of Regional Board Members:**

*[see Financial assistance – General]*

**Role of State Board Members:**

*[see Financial assistance – General]*

**Primary Issues of Concern:**

- Availability of Bond funds for Grants and Loans Projects performance goals
- Meeting performance measures stated in program strategic plan
- Meeting performance measures stated in Water Board strategic plan
- Meeting 1,000,000 acre-feet annual deliveries goal by 2010

**Definition of Key Terms:**

Recycled Water: Water which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur.

Water Recycling: The process of treating wastewater to produce water for beneficial use, the storage and distribution of recycled water to the place of use, and actual use of recycled water.

Water Recycling Act: Established a “statewide goal to recycle a total of 700,000 acre-feet of water per year by the year 2000, and 1,000,000 acre-feet per year of water by the year 2010” (*California Water Code Section 13577*).



## CALIFORNIA WATER BOARDS

### State Water Resources Control Board

### Regional Water Quality Control Boards

#### **Water Board Function:** Financial assistance -- IRWM

To administer the implementation of the State Water Resources Control Board's financial assistance programs.

**Water Board Program(s) Relevant to Function:**  
Integrated Regional Water Management (IRWM) Program

**Problem/Issue Description:**  
Water is a valuable natural resource in California, and should be managed to ensure the availability of sufficient supplies to meet the State's agricultural, domestic, industrial, and environmental needs. It is essential to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve and maximize the quality, quantity, and reliability of those supplies. The intent of the IRWM Grant Program is to encourage integrated regional strategies for the management of water resources.

**Overview of Function:**  
The IRWM Grant Program, funded by Proposition 50, Chapter 8, provides approximately \$406 million for competitive grants to public agencies and nonprofit organizations for projects to protect communities from drought, protect and improve water quality, and improve local water security by reducing dependence on imported water. Funding for the Proposition 50 IRWM Grant Program is administered jointly between the State Water Board and Department of Water Resources (DWR). The agencies utilize a combined process to jointly solicit applications, evaluate proposals, and award grants. There is approximately \$58 million left in Proposition 50 funding for IRWM. Additional funding for IRWM of \$1 billion is provided to DWR through Proposition 84.

**Role of Water Board Staff:**  
Develop guidelines, assist applicants, provide workshops, review and score proposals, and develop funding list(s) for presentation to the State Water Board and DWR Director. Upon grant award, State Water Board staff develops grant agreements, manage projects, and make disbursements. Staff assistance to DWR for Proposition 84 IRWM administration is anticipated.

**Role of Regional Board Members:**  
*[see Financial assistance – General]*

**Role of State Board Members:**  
*[see Financial assistance – General]*

**Primary Issues of Concern:**

- Availability of future bond funds for IRWM Program
- Once the Proposition 50, Chapter 8 funds are expended there is no additional bond funds available for the State Water Board to continue funding future IRWM implementation projects. Proposition 84 provides \$1 billion for the IRWM Program to DWR for planning and implementation grants.

**Definition of Key Terms:**

Proposition 50: The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002.

Proposition 84: The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.



## CALIFORNIA WATER BOARDS

### State Water Resources Control Board

### Regional Water Quality Control Boards

#### **Water Board Function:** Financial assistance -- CBI

To administer the implementation of the State Water Resources Control Board's financial assistance programs.

#### **Water Board Program(s) Relevant to Function:**

Clean Beaches Initiative (CBI) Grant Program

#### **Problem/Issue Description:**

Poor water quality at California beaches threatens the health of swimmers and the economy of the State. When bacterial standards are exceeded, beaches are posted with warnings. The most common cause of postings is the dry weather discharge of urban runoff from storm drain systems. Beaches are closed when a sewage spill has affected the beach. Posted or closed beaches are re-opened only when water samples meet standards. Current sampling methods require an incubation period, which results in a time lag between sampling and obtaining results. This means beaches stay posted or closed longer than necessary to protect public health. The CBI Grant Program provides funding for projects that restore and protect the water quality and the environment of coastal waters, estuaries, bays, and near shore waters. Funding priority is given to projects that reduce postings and closures on California public beaches caused by bacterial contamination.

#### **Overview of Function:**

The Clean Beaches Initiative (CBI) Grant Program was established as part of the Fiscal Year 2001-02 Budget to respond to the poor water quality and dramatic number of postings and closures revealed by monitoring at California's beaches. The CBI Grant Program has been funded by:

Proposition 13 (2000) - \$32.3 million·	Proposition 40 – (2002) - \$43.7 million·
Proposition 50 (2002) - \$23 million·	Proposition 84 (2006) - \$34 million

CBI grant funds are being used to (1) improve, upgrade, or convert existing sewer collection or septic systems to reduce or eliminate sewage spills, (2) implement urban runoff pollution reduction and prevention programs, and (3) implement management practices to eliminate upstream sources of bacterial contamination for the restoration and protection of coastal water quality. Projects are recommended for funding by the Clean Beaches Task Force (CBTF), which is comprised of beach water quality experts.

#### **Role of Water Board Staff:**

The CBI Grant Program is administered by State Water Board staff. Water Board staff review projects and provide input on project selection to the CBTF. The Grant

Managers of the coastal Regional Boards are encouraged to provide input during the project review period. One Regional Water Board AEO is a member of the CBTF.

**Role of Regional Board Members:**

*[see Financial assistance – General]*

**Role of State Board Members:**

*[see Financial assistance – General]*

**Primary Issues of Concern:**

Identifying the source of bacterial contamination can be complicated, but is necessary prior to implementing projects to clean them up. Bond funds typically only fund the projects to clean up the beaches not the studies to identify sources. Also, the indicators upon which the water quality standards are based may not be indicative of the causes of illness. Further, the lag in the testing methods means that beaches may be open when they are contaminated due to the delay in receiving results. They then stay closed longer than necessary while waiting for testing results. Research into new and better indicators is needed.

**Definition of Key Terms:**

AB 411 - Bill that established requirement for beach water quality testing.

CBTF – Clean Beaches Task Force: The CBTF is a blue ribbon panel, selected from local agencies, environmental advocacy groups, academia, government, and scientific research organizations. The CBTF assists the State Water Board in reviewing CBI project proposals, as well as evaluating the success of the projects, and identifying critical beach water quality research needs.

BMD – Beach mile day: A measure of beach availability for swimming recreation. BMD describes the magnitude of beach closures/postings and is calculated by multiplying the number of miles of beach posted/closed (not available) by the number of days posted/closed (not available).



## CALIFORNIA WATER BOARDS

### State Water Resources Control Board

### Regional Water Quality Control Boards

**Water Board Function: Financial assistance – ASBS**

To administer the implementation of the State Water Resources Control Board's financial assistance programs.

**Water Board Program(s) Relevant to Function:**

Area of Special Biological Significance (ASBS) Grant Program

**Problem/Issue Description:**

Areas of Special Biological Significance (ASBS) are those areas designated by the State Water Board as ocean areas requiring protection of species or biological communities to the extent that alteration of natural water quality is undesirable. All ASBS are also classified as a subset of State Water Quality Protection Areas. The California Ocean Plan prohibits the discharge of waste into ASBS to afford special protection to marine life. There are currently a total of 34 ASBS. A 2003 survey of ASBS identified 1,654 stormwater and nonpoint source discharges, plus 31 wastewater discharges to ASBS. Additional discharges have been identified since the 2003 survey. Funding is needed for water quality improvement projects that are needed for ASBS protection.

**Overview of Function:**

The Proposition 84 ASBS Grant Program provides matching grants for local public agencies to assist those agencies in complying with the discharge prohibition into ASBS contained in the California Ocean Plan. A total of approximately \$32 million will be made available and will be administered by the State Water Resources Control Board's (State Water Board) Division of Financial Assistance (DFA). Projects must be recommended by the Clean Beaches Task Force. The State Water Board added members with expertise in ASBS to the CBTF.

Eligible projects will: (1) improve water quality at public beaches to meet bacteriological standards, (2) improve existing sewer collection and septic systems, and (3) implement storm water and runoff pollution reduction and prevention programs.

**Role of Water Board Staff:**

Develop Guidelines, solicit and review projects, assist ASBS/CBTF with developing recommended project list, and oversee project implementation. Guidelines were adopted April 1, 2008 by the State Water Board and solicitation for Concept Proposals is underway.

**Role of Regional Board Members:**

*[see Financial assistance – General]*

**Role of State Board Members:**

*[see Financial assistance – General]*

**Primary Issues of Concern:**

Bond language limited grant eligibility to local public agencies which excludes the responsible agencies (State and federal) for many of the ASBS discharges. The amount of grant funds available will not address all of the discharges. Funding priority will be given to projects that: (1) address high threat discharges, (2) provide the greatest water quality improvement, (3) protect beneficial uses, (4) address constituents of concern on the 303(d) list, and (5) help meet the Water Quality Objectives defined in the California Ocean Plan.

**Definition of Key Terms:**

Clean Beaches Task Force – The CBTF is a blue ribbon panel, selected from local agencies, environmental advocacy groups, academia, government, and scientific research organizations. The CBTF assists the State Water Board in reviewing CBI project proposals, as well as evaluating the success of the projects, and identifying critical beach water quality research needs.

MMA – Marine Managed Area: Geographic area designed to protect or manage resources within the marine environment; their effectiveness is dependent on the development of sound boundaries.

MPA – Marine Protected Area: Discrete geographical marine or estuarine area designed to protect or conserve marine life and habitat. A few examples include Tomales Bay State Marine Park, James V. Fitzgerald State Marine Park, Point Lobos State Marine Reserve, Painted Cave State Marine Conservation Area, and Crystal Cove State Marine Conservation Area.

SWQPA – State Water Quality Protection Area: Nonterrestrial marine or estuarine areas designated to protect marine species or biological communities from an undesirable alteration in natural water quality. All Areas of Special Biological Significance (ASBS) that were previously designated by the State Water Board in Resolutions 74-28, 74-32, and 75-61 are now also classified as a subset of State Water Quality Protection Areas and require special protections afforded by the Ocean Plan.

CCA – Critical Coastal Area: means an innovative program, required by California's Nonpoint Source Pollution Plan to foster collaboration among local stakeholders and government agencies, to better coordinate resources and focus efforts on coastal-zone watershed areas in critical need of protection from polluted runoff.



## CALIFORNIA WATER BOARDS

### State Water Resources Control Board

### Regional Water Quality Control Boards

**Water Board Function:** Financial Assistance -- NPS

To administer the implementation of the State Water Resources Control Board's financial assistance programs.

**Water Board Program(s) Relevant to Function:**

319(h) Nonpoint Source (NPS) Implementation Grant Program

**Problem/Issue Description:**

NPS pollution, also known as polluted runoff, is the leading cause of water quality impairments in California and in the Nation. To effectively reduce and prevent water pollution in California, we need to prevent polluted runoff from reaching our rivers, streams, lakes, beaches, bays, and groundwaters. California works to ensure that management practices, such as management measures and other activities that reduce or prevent polluted runoff, are actually used or implemented. Without adequate funding, some of these activities may not be completed as needed.

**Overview of Function:**

The 319(h) NPS Implementation Grant Program is an annual federally funded nonpoint source pollution control grant program that is focused on implementing watershed-based plans to restore impaired water bodies. The program seeks to fund projects that demonstrate: (1) well planned and designed implementation activities tied to TMDLs and watershed plans, (2) significant pollutant load reductions that contribute to the restoration of an impaired 303(d) listed water body, and (3) achievement of water quality objectives and beneficial uses within 5 years.

**Role of Water Board Staff:**

Solicit and participate in project review and selection; oversee project implementation.

**Role of Regional Board Members:**

*[see Financial assistance – General]*

**Role of State Board Members:**

*[see Financial assistance – General]*

**Primary Issues of Concern:**

The amount of funding has been decreasing and currently is approximately \$4 million per year. There is the issue of State match because we do not have much Nonpoint Source Pollution (NPS) funds needed to match the 319(h) funds. There is a great need for this type of funding to address NPS issues throughout California and there are more projects with a total dollar amount in excess of the funds available.

**Definition of Key Terms:**

NPS – Nonpoint Source Pollution: NPS Pollution is water pollution that does not originate from a discrete point, such as a sewage treatment plant outlet. NPS pollution is a by-product of land use practices, such as those associated with farming, timber harvesting, construction management, marina and boating activities, road construction and maintenance, mining, and urbanized areas not regulated under the point source stormwater program. Primary pollutants include sediment, fertilizers, pesticides, and other pollutants that are picked up by water traveling over and through the land and are delivered to surface and ground water via precipitation, runoff, and leaching. From a regulatory perspective, pollutant discharges that are regulated under the National Pollutant Discharge Elimination System Permit (NPDES) are considered to be point sources. By definition, all other discharges are considered nonpoint sources of pollution.

TMDL – Total Maximum Daily Load: Identifies the maximum quantity of a particular pollutant that can be discharged into a water body without violating a water quality standard, and allocates allowable loading amounts among the identified pollutant sources.



**CALIFORNIA WATER BOARDS**  
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**Water Board Function:** Financial assistance -- Agricultural

To administer the implementation of the State Water Resources Control Board's financial assistance programs.

**Water Board Program(s) Relevant to Function:**

Agricultural Water Quality Grant Program

**Problem/Issue Description:**

Nonpoint source (NPS) pollution is the leading cause of water quality impairments in California. Agriculture is the leading contributor of NPS pollution in California. Regional Water Board efforts to regulate discharges from agricultural lands have been controversial. The grant program provides the "carrot" to go with the regulatory "stick".

**Overview of Function:**

Proposition 84 (2006) authorized \$13.7 million for grants to public agencies and non-profits for projects that reduce the discharge of pollutants from agricultural operations into surface waters of the State.

**Role of Water Board Staff:**

Develop process for implementing program, review and recommend projects, and oversee project implementation.

**Role of Regional Board Members:**

*[see Financial assistance – General]*

**Role of State Board Members:**

*[see Financial assistance – General]*

**Primary Issues of Concern:**

Growers are not willing to participate in the grant program due to the accountability requirements, and are reluctant to allow reporting of activities implemented on private land or allow inspection of the projects. There is concern over potential third party lawsuits if pollution is reported coming from the property. Because of this, the quality of projects submitted in previous competitive solicitations has not been good.

**Definition of Key Terms:**

None.



## CALIFORNIA WATER BOARDS

### State Water Resources Control Board

### Regional Water Quality Control Boards

#### **Water Board Function:** Financial assistance – Storm Water

To administer the implementation of the State Water Resources Control Board's financial assistance programs.

#### **Water Board Program(s) Relevant to Function:**

Proposition 84 Storm Water Grant Program

#### **Problem/Issue Description:**

Storm water is one of the leading causes of water pollution. Where rainfall is not absorbed by the soil or is not taken up by plants and trees, it runs over impermeable surfaces like roofs, parking lots, and streets. Storm water runoff can quickly become polluted by chemicals, such as fertilizers, pesticides, and litter. Even small amounts of pollutants that accumulate on impervious surfaces are quickly transported into nearby streams and rivers, causing major water quality problems. Identifying sources of storm water pollution and keeping them off the ground (away from storm drains or roadside ditches) is the best and most economical way to keep storm water clean. The State Water Board provides financial support to local public agencies for projects that reduce or prevent storm water contamination of rivers, lakes, or streams.

#### **Overview of Function:**

Proposition 84 provides matching grants to help local public agencies' projects to reduce or prevent storm water contamination of rivers, lakes, or streams. A total of approximately \$82 million will be made available.

Provisions of Assembly Bill (AB) 739 further define the Proposition 84 Storm Water Grant Program. Provisions of AB 739 include:

- Development of guidelines and establishment of maximum grant amount;
- Defining project types (e.g., compliance with total maximum daily load where pollutant loads have been allocated to storm water; low-impact development; treatment and source control; treat and recycle storm water discharge; implement best management practices; etc.);
- Establishing program preferences (i.e., projects that support sustained, long-term water quality improvements; projects coordinated or consistent with an integrated regional water management program);
- Requiring grantees to report on project effectiveness; and
- Requiring the State Water Board to appoint a Storm Water Advisory Task Force, which will provide advice to the State Water Board on its funding and regulatory programs.

**Role of Water Board Staff:**

Develop guidelines, assist applicants, provide workshops, review and score proposals, develop funding list(s) for presentation to the State Water Board, develop grant agreements with grantees, manage projects, and make disbursements.

**Role of Regional Board Members:**

*[see Financial assistance – General]*

**Role of State Board Members:**

*[see Financial assistance – General]*

**Primary Issues of Concern:**

- Inadequate funding for need. With only approximately \$82 million available for grants to local public agencies, the grant funding is inadequate to address the statewide need. Additional resources will be needed for entities to adequately address their storm water problems.

**Definition of Key Terms:**

Matching Grants: Funds provided by the grantee.

Proposition 84: The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.



## CALIFORNIA WATER BOARDS

### State Water Resources Control Board

### Regional Water Quality Control Boards

**Water Board Function:** Financial Assistance -- CAA

To administer the implementation of the State Water Resources Control Board's financial assistance programs.

**Water Board Program(s) Relevant to Function:**

Cleanup and Abatement Account (CAA)

**Problem/Issue Description:**

The intent of the CAA funds is for emergency cleanup or abatement projects.

**Overview of Function:**

The State Water Pollution Cleanup and Abatement Account (CAA) was established by Water Code Sections 13440-13443 and is administered through the State Water Resources Control Board's Division of Financial Assistance. The CAA provides funding for the clean up or abatement of a condition of pollution when there are no viable responsible parties available to undertake the work. The CAA is supported by court judgments and administrative civil liabilities assessed by the State and Regional Water Quality Control Boards. The State and Regional Water Quality Control Boards or public agencies with authority to clean up or abate a waste are eligible to receive CAA funding.

**Role of Water Board Staff:**

Develop procedures and processes for the administration of the fund, and develop Board agenda items and resolutions for Regional Boards or eligible agencies requesting funds over \$100,000. Assist the Regional Boards and eligible agencies in tracking expenditures, assist in developing grants, review requests for payments, make disbursements, and participate in an annual workshop.

**Role of Regional Board Members:**

*[see Financial assistance – General]*

**Role of State Board Members:**

*[see Financial assistance – General]*

**Primary Issues of Concern:**

Projects approved for emergency funds are committed for several years making fiscal over-site a critical component.

**Definition of Key Terms:**

None.



## CALIFORNIA WATER BOARDS

### State Water Resources Control Board

### Regional Water Quality Control Boards

#### **Water Board Function:** Financial assistance – UST Cleanup Fund

To administer the implementation of the State Water Resources Control Board's financial assistance programs.

#### **Water Board Program(s) Relevant to Function:**

Underground Storage Tank Cleanup Fund (Fund) Program

#### **Problem/Issue Description:**

Leaking underground petroleum storage tanks are a significant source of impacts to groundwater and may pose potential threats to health and safety, such as exposure from impacts to soil and/or groundwater, contamination of drinking water aquifers, contamination of public or private drinking water wells, and inhalation of vapors. Federal and state laws require every owner and operator of a petroleum underground storage tank (UST) to maintain financial responsibility to pay for any damages arising from their tank operations. The UST Cleanup Fund Program provides financial assistance to owners and operators for cleanup of contamination caused by leaking petroleum underground storage tanks (USTs).

#### **Overview of Function:**

The Barry Keene Underground Storage Tank Cleanup Fund Act of 1989 established the Fund to serve as a mechanism for owners and operators of petroleum USTs to meet federal financial responsibility requirements. The Fund provides financial assistance to owners and operators of USTs by reimbursing certain costs to clean up soil and groundwater at thousands of sites throughout the State contaminated by leaking USTs. The Fund also provides coverage for third-party liability due to unauthorized releases of petroleum from USTs. In addition, to reimbursing claimants for cleanup costs, the Fund provides money to the Regional Water Quality Control Boards and local regulatory agencies to abate emergency situations or clean up sites posing a significant threat to human health, safety, and the environment.

#### **Role of Water Board Staff:**

Review new claim applications to determine claimants meet the regulatory and statutory eligibility requirements. Determine eligibility for placement on the Priority List and issuance of the Letter of Commitment obligating funds for cleanup of the sites. Review agreements to assign Fund claims to otherwise ineligible parties. Review reimbursement requests for compliance with the Fund's cost control guidelines. Provide technical support to staff and claimants. Review site case histories of claims open more than five years to independently check the progress of sites and claim closures. Process reimbursement requests as efficiently as possible. Review settlement agreements to determine if claimants have already received reimbursement for costs also submitted to the Fund for reimbursement resulting in a double payment to claimants. Audit claims that have been closed and reopen claims that have newly discovered contamination associated with the previous occurrence.

**Role of Regional Board Members:**

*[see Financial assistance – General]*

**Role of State Board Members:**

*[see Financial assistance – General]*

**Primary Issues of Concern:**

Leaking USTs continue to cause groundwater impacts and pose a threat to public health, safety, and the environment. There are currently approximately 12,000 active UST cases. Many may be low risk, but progress is lagging and these cases have not been completed for various reasons. Completion and closure of appropriate cases will make funds and oversight staff time available for remaining higher-priority cases. The Fund provides approximately \$200 million annually to investigate and remediate contaminated petroleum UST sites, and the Fund has over 4,500 claims on its Priority List waiting for funding. The funding for this program is due to sunset January 1, 2011, and a focus on completing cleanups will enable financial assistance to be provided to a greater number of cases. Since its inception, the Fund has paid approximately 10,800 claimants in excess of \$2.4 billion. Considering the number of claims on the Priority List and the limited amount of funding available each year, a very small percentage of sites will be funded before the program sunsets.

**Definition of Key Terms:**

SB 1161 – bill proposed to extend the Fund five more years, until 2016.