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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2023-

**AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE AND THE
DEPUTY DIRECTOR OF THE DIVISION OF FINANCIAL ASSISTANCE (DFA)
OR DESIGNEE TO CARRY OUT CERTAIN ACTIONS TO IMPLEMENT THE
FEDERAL SEWER OVERFLOW AND STORMWATER REUSE MUNICIPAL
GRANTS (OSG) PROGRAM**

WHEREAS:

1. With grant funding from the United States Environmental Protection Agency (USEPA) for the OSG program, states can fund infrastructure needed to address combined sewer overflows (CSO), sanitary sewer overflows (SSO), and stormwater management;
2. In March 2021, USEPA released its OSG Grant Implementation Document, which describes how USEPA will administer the OSG funds and provides procedures for program implementation for relevant state agencies to issue sub-awards to eligible recipients;
3. Under section 221 of the Federal Water Pollution Control Act (also known as the federal Clean Water Act), states are required to prioritize funding projects for (a) communities that are rural (a city, town, or unincorporated area that has a population of not more than 10,000 inhabitants) and financially distressed; (b) applicants that have begun implementing a long-term municipal CSO or SSO control plan and have implemented or are complying with an implementation schedule for the minimum controls specified in the CSO control policy referred to in Title 33 United States Code (U.S.C.) section 1342(g)(1); or (c) projects that have requested funding through the Clean Water State Revolving Fund (CWSRF);
4. Under section 221(c)(1) of the Clean Water Act, the term “financially distressed community” means a community that meets affordability criteria established by the state in which the community is located if such criteria are developed after public review and comment. Accordingly, “financially distressed community” means disadvantaged communities (DACs) and severely disadvantaged communities (SDACs) as those terms are defined in Appendix D of the Storm Water Grant Program Guidelines;

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5. The OSG grant application requires a minimum non-federal cost share (state match) of twenty percent (20%) of the total grant award. The state match obligation may be waived for DACs;
6. The OSG grant funds will be administered in accordance with section 221 of the federal Clean Water Act and consistent with the USEPA OSG Grant Implementation Document;
7. Under the OSG program, the state match requirements cannot be passed on to rural and financially distressed communities;
8. The OSG program restricts the use of federal funds as state match and allows state funds to be used towards state match;
9. The OSG program requires a minimum of twenty five percent (25%) of grant funds to be allocated to financially distressed communities and at least sixty percent (60%) of the twenty-five percent to be allocated to rural communities;
10. On April 19, 2022, the Board adopted [Resolution No. 2022-0013](#) allowing the Executive Director to apply for and the Deputy Director to award the OSG Funds from Fiscal Years 2020 through 2022;
11. DFA applied to USEPA for \$12 million in OSG Funding and submitted a list of eligible projects for OSG funding with the 2022 application; and
12. \$280 million was authorized per year for fiscal years 2022 through 2026. Of this amount, USEPA has allocated 10.6 percent to the State of California. DFA plans to apply each year to USEPA for available OSG funding in 2023 through 2026.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Executive Director or designee to apply for, accept, and/or amend as necessary the federal OSG program grant each year in years 2023 through 2026.
2. Authorizes the Deputy Director of DFA or designee to negotiate, execute, and/or amend OSG program grant agreements with eligible entities for eligible projects as defined in the federal Clean Water Act.

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3. Directs the Deputy Director of DFA or designee to use available OSG Funding to fund eligible stormwater projects identified in the State Water Board's 2022 application to USEPA for OSG Funding or to fund eligible stormwater projects identified in the CWSRF Intended Use Plan.

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 April 4, 2023.

Courtney Tyler
Clerk to the Board