

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
AUGUST 20, 2019**

ITEM 5

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION TO DELEGATE AUTHORITIES FOR THE ADMINISTRATION OF \$130 MILLION ALLOCATED FROM THE BUDGET ACT OF 2019 FOR IMPLEMENTATION OF THE SAFE AND AFFORDABLE DRINKING WATER PROGRAM

DISCUSSION

The Budget Act of 2019 (Assembly Bill (AB) 74) Item 3940-102-0001 appropriated \$30 million from the General Fund to the State Water Resources Control Board (State Water Board) for “support or local assistance to fund grants, loans, contracts, or services to help water systems provide safe and affordable drinking water”. AB 74 Item 3940-102-3228 appropriated an additional \$100 million from the Greenhouse Gas Reduction Fund to the State Water Board for “support or local assistance to fund grants, loans, contracts, or services to help water systems provide safe and affordable drinking water”. In future years, the Safe and Affordable Drinking Water (SADW) Program will be funded with a \$130 million continuous appropriation.

The Division of Financial Assistance (DFA) is working with the Division of Drinking Water (DDW), other Divisions and Offices at the State Water Board, the Department of General Services (DGS), environmental justice (EJ) organizations, and other stakeholders to develop an implementation plan for the Safe and Affordable Drinking Water (SADW) Program to bring to the State Water Board for consideration in June 2020. Additionally, the DDW is conducting a Drinking Water Needs Analysis to identify public water systems in violation or at risk, identify domestic wells and state small water systems at risk, and estimate costs for interim and long term solutions. The Needs Analysis will inform development and implementation of the SADW Program.

During the first year of implementation, DFA staff anticipate that the majority of the funding will be awarded through grants and contracts with assistance providers to provide interim solutions and begin necessary planning work toward long-term solutions. DFA staff anticipate utilizing existing DGS professional service contracts, establishing new professional service contracts through DGS and new grants or contracts with administrators and technical assistance providers. However, there may be some cases in which grant agreements will be awarded in accordance with terms outlined in the state fiscal year 2019/2020 Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP), or with the Cleanup and Abatement Account Funding Program Guidelines. The proposed resolution would delegate necessary authorities for the administration of the FY 2019/2020 allocation consistent with existing plans and policies for administering similar financial assistance allocations.

POLICY ISSUE

Should the State Water Board:

1. Authorize the Deputy Director of DFA, or his or her designee, to approve or deny funding of up to \$130 million, without limitation on funding amount per project or program, for projects or programs consistent with AB 74; and to execute agreements and amendments thereto to disburse funds for such projects or programs; and to perform all acts and to do all things necessary and convenient to facilitate the implementation of such agreements?
2. Authorize the Executive Director, or his or her designee, or the Deputy Director of DFA, or his or her designee, to execute contracts and amendments, without limitation on funding amount per project or program, for projects or programs consistent with AB 74; and to perform all the acts and implement all measures necessary to fulfill the objectives of such contracts?

FISCAL IMPACT

The Budget appropriation provides funding for projects to administer the SADW Program.

REGIONAL WATER BOARD / DISTRICT OFFICE IMPACT

Division of Drinking Water staff will assist with implementation of the SADW Program.

HUMAN RIGHT TO WATER ANALYSIS

The actions proposed under this item are consistent with the established policy of the State recognizing the human right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes (human right to water; Water Code section 106.3). The proposed actions are also consistent with [Resolution No. 2016-0010](#), in which the State Water Board adopted the human right to water as a core value and top priority. As directed by the State Water Board in Resolution No. 2016-0010, staff have determined that the proposed actions support the human right to water by providing funding to water systems to improve the access to, and the quality of, their drinking water.

STAFF RECOMMENDATION

Staff recommends that the State Water Board adopt the proposed Resolution.