
State Water Resources Control Board

NOTICE OF OPPORTUNITY FOR PUBLIC COMMENTS AND BOARD CONSIDERATION OF PROPOSAL TO AMEND THE STATE FISCAL YEAR 2023-24 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN BY PROVIDING THE DIVISION OF FINANCIAL ASSISTANCE DEPUTY DIRECTOR WITH DISCRETION TO REDUCE THE MAXIMUM AMOUNT FOR WATER RECYCLING FUNDING GRANTS

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board) will accept public written comments on a proposed plan (described in this Notice below) to provide the Deputy Director of the Division of Financial Assistance (DFA) with discretion to reduce the maximum grant amount for water recycling construction projects.

Public written comments must be submitted no later than **12:00 noon on Monday, March 11, 2024**. Public written comments must be submitted per the procedures in the “Submission of Comments” section of this public notice.

NOTICE IS ADDITIONALLY HEREBY GIVEN that the State Water Board will consider adoption of a resolution approving staff’s proposal on **Tuesday, March 19, 2024** at the State Water Board Meeting. The anticipated date, time, and location of the Board Meeting are provided below:

BOARD MEETING
Tuesday, March 19, 2024 – 9:00 a.m.
Coastal Hearing Room, Second Floor
Joe Serna Jr. – CalEPA Building
1001 I Street, Sacramento
And via Video and Teleconference
(For public commenters.)

Video and Teleconference Option: *This meeting will occur with both a physical meeting location and an option for the public to participate from a remote location.*

- *For those who only wish to watch the meeting, the webcast remains available at either <https://www.youtube.com/user/BoardWebSupport/> or <https://video.calepa.ca.gov/> (closed captioning available) and should be used UNLESS you intend to comment.*
- *For members of the public who wish to comment on an agenda item or are presenting to the Board, additional information about participating telephonically or via the remote meeting solution is available here: https://www.waterboards.ca.gov/board/info/remote_meeting/*

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

BACKGROUND

On January 10, 2024, the Governor released his Proposed Budget for Fiscal Year 24/25, which proposes to reduce the amount of previously appropriated General Fund by approximately \$174.4 million and to delay approximately \$100 million for water recycling and groundwater cleanup until State Fiscal Year (SFY) 2025-26. The proposed reductions are subject to negotiation with the legislature. The Fiscal Year 24/25 Budget does not become final until passed by the legislature and approved by the Governor.

The SFY 2023-24 Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP) Appendix F sets the Water Recycling Funding Program (WRFP) Grant and Loan maximums for construction projects. Currently, eligible water recycling planning projects may receive a maximum of \$500,000 in grant funds and eligible water recycling construction projects may receive a maximum of \$15,000,000 in grant funds. The [Water Recycling Funding Program Guidelines](#) state, in part, that "...The grant will be established as 35 percent of the reasonable, estimated construction cost for the project or the final construction cost for the project, if known at the time the financing agreement is executed, up to the maximum established by the State Water Board in the CWSRF IUP or as otherwise limited by the State Water Board."

As of December 21, 2023, WRFP had approximately \$307 million in General Fund appropriations through the Budget Act of 2021, Budget Act of 2022, and Budget Act of 2023 supporting water recycling projects. In addition, the WRFP currently has approximately \$4.6 million in Proposition 1 grant and \$1.8 million in Proposition 68 grant available for water recycling construction projects.

Should the proposed reduction of \$174.4 million and shift of \$100 million to FY 25/26 be passed and adopted, DFA staff estimates approximately \$41.5 million in construction grant funds will be available through Prop 1 grant, Prop 68 grant, and the remaining General Fund appropriations.

DFA staff have identified six pending construction project applications that can be funded this fiscal year. With the current \$15 million maximum grant amount, the total grant funds required to fund these projects is approximately \$68.2 million or \$26.7 million greater than the total grant available if the proposed Budget is passed. To provide all of these projects with grant funds, the maximum grant amount will need to be adjusted.

PROPOSED ACTION

DFA staff is seeking approval to amend Appendix F of the 2023-24 CWSRF IUP to provide the Deputy Director with discretion to reduce the WRFP maximum grant amount per Construction Grant by adding the following sentence to footnote 56: "The Deputy Director may reduce the maximum grant amount provided per project based on actual or anticipated availability of grant funding and demand for such funds." The maximum Planning Grant amount within Appendix F would remain at \$500,000.

Should additional water recycling grant funds become available, DFA staff will propose appropriate changes to the maximum grant amount as part of the State Water Board's annual adoption of the CWSRF IUP.

You may also request a copy of this proposed amendment by contacting Mr. Sunny Kals at Sandeep.Kals@waterboards.ca.gov.

SUBMISSION OF COMMENTS

The State Water Board will accept both written and oral comments on the proposed action to amend the 2023-24 CWSRF IUP. To submit written comments, please use the subject line: "**Comment Letter – Proposed Action to Amend the IUP to Decrease WRFP Grant Maximums.**" Written comments must be received by **12:00 noon on Monday, March 11, 2024** and should be submitted to the attention of:

Courtney Tyler, Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Comment letters may be submitted to the Clerk to the Board via email (if less than 15 megabytes) at commentletters@waterboards.ca.gov. If the electronic comment letter is greater than 15 megabytes, it may be submitted by fax at (916) 341-5620. Couriers delivering hard copies of comment letters must check in with lobby security personnel, who can contact Ms. Tyler at (916) 341-5611.

PROCEDURAL MATTERS

At the March 19, 2024, State Water Board Meeting, the Board will consider adoption of the proposed action to amend the 2023-24 CWSRF IUP to provide the Deputy Director with discretion to reduce the WRFP maximum grant amount per Construction Grant. Participants will be given the opportunity to speak to the Board directly during the Board Meeting and to summarize and supplement their written materials with oral presentations during the Board Meeting. There will be no sworn testimony or cross-examination of participants. However, the State Water Board and its staff may ask clarifying questions. To ensure a productive and efficient Board Meeting, the Board may limit the time for oral comments.

For recommendations regarding presentations to the Board, please go to: https://www.waterboards.ca.gov/board_info/meetings/board_presentations.html.

ACCESSIBILITY

Telecommunications device for the hearing impaired (TDD) users may contact the California Relay Service at (800) 735-2929 or voice line at (800) 735-2922. A broadcast of the hearing will be available via internet and can be accessed at <https://video.calepa.ca.gov>.

FUTURE NOTICES

Any change in the public comment period or to the intended date for State Water Board consideration of adoption will be provided via the State Water Board's email distribution list. Any person desiring to receive future notice of any changes must be subscribed to the State Water Board's email list.

The subscription form is located at:

http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html.

To subscribe, select the "General Interests" category, then check the box for "Board Meetings," and provide the required information.

Additionally, any person desiring to receive future notices concerning groundwater cleanup and recycled water funding, including the Allocation from the Budget Act of 2021, may subscribe to the following email lists:

Water Recycling: To subscribe, use the above link and select the "Financial Assistance (Grants and Loans)" category, then check the box for "Water Recycling Funding Program," and provide the required information.

ADDITIONAL INFORMATION

More information about these funding programs can be found here:

- Clean Water State Revolving Fund:
https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/
- Water Recycling Funding Program:
https://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/

Please direct all questions regarding this notice to Mr. Sunny Kals at (916) 324-8404 or Sandeep.Kals@waterboards.ca.gov.

February 9, 2024

Date



Courtney Tyler
Clerk to the Board