

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2014-0035**

AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE AN
AGREEMENT WITH THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC
DEVELOPMENT BANK (I-BANK) FOR SAFE DRINKING WATER STATE REVOLVING FUND
(SDWSRF) MATCHING FUNDS

WHEREAS:

1. The State Water Resources Control Board (State Water Board) is successor to the application submitted by the California Department of Public Health (CDPH) to the United States Environmental Protection Agency (U.S. EPA) for the Federal Fiscal Year (FFY) 2014 SDWSRF capitalization grant and to open SDWSRF capitalization grants received by CDPH in previous years;
2. The SDWSRF is used by the State Water Board to provide low-interest loans and grants to public water systems, technical assistance to water system applicants, and funding for public water system supervision and regulatory oversight;
3. As a condition of the capitalization grants, the recipient state entity – previously CDPH, and now the State Water Board – must provide matching funds equal to 20 percent of each grant that must be deposited into the SDWSRF on or before the date of each capitalization grant payment from U.S. EPA;
4. Additional funds may be needed to match the FFY 2013 capitalization grant, and additional funds are needed to match the FFY 2014 capitalization grant;
5. The State Water Board has no current general fund appropriations or general obligation bond authorizations that can provide additional matching funds;
6. The State Water Board may use interest earnings of the SDWSRF, as allowed by state and federal law, to secure and repay a bond to obtain matching funds;
7. CDPH obtained matching funds from the I-Bank using this type of transaction in 2013, which was satisfied on November 8, 2013;
8. The SDWSRF currently contains sufficient interest earnings to secure and repay a short-term obligation from the I-Bank to obtain funds to match all capitalization grants through and including the 2014 grant;
9. The State Water Board may be unable to fully draw the FFY 2013 capitalization grant funds, and will be unable to draw the FFY 2014 capitalization grant funds without securing additional match funds; and
10. It is estimated that \$17,925,000 will be necessary to match the FFY 2013 and FFY 2014 capitalization grants, including fees and interest costs from the I-Bank.

THEREFORE BE IT RESOLVED THAT:

The State Water Board authorizes the Executive Director or his designee to execute an agreement with the I-Bank to obtain sufficient funds to match capitalization grants for the SDWSRF through and including the 2014 capitalization grant, not to exceed \$17,925,000.

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 July 15, 2014.

AYE: Chair Felicia Marcus
Vice Chair Frances Spivy-Weber
Board Member Tam M. Doduc
Board Member Steven Moore
Board Member Dorene D'Adamo

NAY: None

ABSENT: None

ABSTAIN: None



Jeanine Townsend
Clerk to the Board