

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
MARCH 22, 2006**

ITEM 8

SUBJECT

CLEAN WATER STATE REVOLVING FUND (SRF) STATE FISCAL YEAR (SFY) 2005/2006 INTENDED USE PLAN (IUP) AND FEDERAL FISCAL YEAR (FFY) 2006 FEDERAL CAPITALIZATION GRANT ACCEPTANCE

DISCUSSION

Federal laws require the State to submit an annual IUP to the U.S. Environmental Protection Agency. The Division of Financial Assistance (Division) has prepared a proposed [SFY 2005/2006 IUP](#) consistent with federal rules, which describes the intended uses of SRF funds for SFY 2005/2006. A copy of the SFY 2005/2006 IUP is contained in Exhibit A. The SFY 2005/2006 IUP is based on receipt of a currently estimated California share of the FFY 2006 federal appropriation of \$46,383,876. The \$46,383,876 represents the FFY 2006 Title VI California State Allotment of \$46,852,400 less the 604 (b) Allotment of \$468,524. Resolution of on-going federal budget negotiations may result in California being eligible for additional SRF funds in the future.

The Division proposes that the Executive Director be authorized to apply for and accept the FFY 2006 Capitalization Grant in the amount of approximately \$46,383,876. The Executive Director should be authorized to apply for and accept any amendments to the FFY 2006 Capitalization Grant.

The federal appropriation requires a 20 percent state match. The match money of about \$9,276,775 for the FFY 2006 Capitalization Grant will be provided as follows: by using any uncommitted funds remaining in the Safe, Clean, Reliable Water Supply Act passed by the voters on November 5, 1996; by the local match contribution from local agencies participating in the local match program; by transfer of any unobligated funds from the Water Quality Control Fund; and from uncommitted funds remaining in the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act passed by the voters on March 7, 2000.

POLICY ISSUES

Should the State Water Resources Control Board (State Water Board): (1) approve the SFY 2005/2006 IUP; and (2) authorize the Executive Director to apply for and accept the FFY 2006 SRF Capitalization Grant and any amendments thereto?

REGIONAL WATER BOARD IMPACT

The FFY 2006 Capitalization Grant will allow the Division to continue to issue SRF loans to municipalities. This will ensure the municipalities compliance with Regional Water Quality Control Board discharge requirements.

FISCAL IMPACT

The State match of about \$9,276,775 for the FFY 2006 Capitalization Grant will be provided from a combination of unencumbered funds from previous bond issues, the Water Quality Control Fund, and funds made available by the local match program.

STAFF RECOMMENDATION

That the State Water Board adopt a resolution approving the SFY 2005/2006 IUP and authorize the Executive Director to apply for and accept the FFY 2006 SRF Capitalization Grant and any amendments thereto.

**STATE WATER REOURCES CONTROL BOARD
RESOLUTION NO. 2006-**

**CLEAN WATER STATE REVOLVING FUND (SRF)
STATE FISCAL YEAR (SFY) 2005/2006 INTENDED USE PLAN (IUP) AND
FEDERAL FISCAL YEAR (FFY) 2006 CAPITALIZATION GRANT ACCEPTANCE**

WHEREAS:

1. The Division of Financial Assistance has prepared a draft SFY 2005/2006 IUP in compliance with federal rules, and such plan must be submitted to the United States Environmental Protection Agency annually;
2. Congress has appropriated FFY 2006 SRF funds with California's share being about \$46,383,876 and the State Water Resources Control Board (State Water Board) will make application for the total of \$46,383,876;
3. The state match totaling about \$9,276,775 will be provided from remaining unencumbered funds in previous bond issues, the Water Quality Control Fund, and from the local match program; and
4. Authorization to apply for and accept the FFY 2006 SRF Capitalization Grant, and any amendments thereto is needed.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves the SFY 2005/2006 IUP; and
2. Authorizes the Executive Director to apply for and accept the FFY 2006 SRF Capitalization Grant and any amendments thereto.

CERTIFICATION

The undersigned, Acting 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 March 8, 2006.

Song Her
Clerk to the Board