

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION — DIVISION OF FINANCIAL ASSISTANCE
APRIL 18, 2007**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION APPROVING THE RECOMMENDED PROJECT LIST (RPL) FOR THE CLEAN BEACHES INITIATIVE (CBI) GRANT PROGRAM

DISCUSSION

In November 2002, voters approved the *Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002* (Proposition 50) authorizing the issuance of bonds to fund a variety of water quality improvement projects. The 2005/06 Budget Act appropriated \$23 million of Proposition 50, Chapter 5, Coastal Nonpoint Source Pollution Control Program (CNPSPCP) funds for CBI projects. Additional funds amounting to approximately \$4.5 million is also available from Propositions 13 and 40 for CBI projects.

The Proposition 50 enacting legislation, Clean Water Code (CWC) §79543(b), requires that all expenditures, grants, and loans made pursuant to this section shall be consistent with the requirements of Article 5 (commencing with § 79148) of Chapter 7 of Division 26, (Proposition 13). Proposition 13 authorizes grants, up to \$5 million per project, for projects that:

1. Improve water quality at public beaches and make improvements to ensure that coastal waters adjacent to public beaches meet bacteriological standards;
2. Provide comprehensive capability for monitoring, collecting, and analyzing ambient water quality, including monitoring technology that can be entered into a statewide information base with standardized protocols and sampling, collection, storage, and retrieval procedures;
3. Make improvements to existing sewer collection systems and septic systems for the restoration and protection of coastal water quality;
4. Implement stormwater and runoff pollution reduction and prevention programs for the restoration and protection of coastal water quality; and
5. Are consistent with the State's nonpoint source control program.

Additionally, Proposition 13 has specific geographic funding distribution requirements. The CWC, §79148.10, requires that 60 percent of the money in the subaccount shall be allocated to projects in six southern California counties. As a whole, the Proposition 50 CNPSPCP funds (\$100,000,000) will be split 60/40 between Southern and Northern California counties. For this CBI solicitation, 70% of the available Proposition 50 funds will be distributed to Southern California with the remaining funds being distributed to Northern California. For the purposes of the CBI Program, Southern California refers to the following counties: Ventura, Los Angeles, Orange, and San Diego.

Guidelines

The CBI Guidelines were prepared pursuant to Proposition 50, CWC §79505.6 and describe the solicitation and selection process. State Water Resources Control Board (State Water Board) staff engaged stakeholders in the development of these Guidelines through several venues. Staff conducted initial scoping meetings with the Clean Beaches Task Force (CBTF); then held public workshops to solicit comments on the draft Guidelines in San Francisco and Newport Beach in September 2006. In addition, the draft Guidelines were posted on the State Water Board website for public review and feedback. The State Water Board adopted the Guidelines on October 25, 2006 (Resolution Number 2006-0074).

The Guidelines identify priorities for research and implementation projects. Up to \$10 million of the available funds are reserved for projects that address critical research priorities. The remaining funds are for eligible projects that reduce bacterial contamination at priority beaches.

Grant Application Process

The CBI Grant Program Proposition 50 solicitation utilized a two-step process. In the first step, applicants submitted Concept Proposals (CPs) through the State Water Board's on-line Financial Assistance Application Submittal Tool (FAAST). The State Water Board solicitation period for CPs was open between October 26, 2006 and January 31, 2007. A total of 39 CPs, totaling \$53.4 million, were submitted.

Review and Selection Process

All complete and eligible CPs were reviewed and scored by a minimum of three CBTF members and Regional Water Quality Control Board (Regional Water Board) staff using FAAST. The CBTF met on February 26th and 27th, 2007 to discuss the proposals and determine the final CP scores. Applicants with the highest-ranking CPs were placed on the Recommended Project List (RPL).

After the State Water Board adoption of the RPL, applicants with projects on the RPL will be invited to submit detailed applications. Funding commitments will be issued by the Deputy Director of the Division in the order complete detailed applications are received until the funding is exhausted.

Recommended Project List

The projects on the RPL represent the most competitive proposals that address the criteria adopted in the Guidelines. The RPL was divided into three separate categories: 1) research projects that meet the CBTF research priorities and are of statewide significance, 2) Northern California implementation projects, and 3) Southern California implementation projects. In order to keep the process competitive, the Northern and Southern California implementation project categories contain more projects than there is funding available.

Non-responsiveness to executing grant agreements has been an issue with a handful of past grant recipients. In several cases, non-responsiveness has resulted in grant funds being left unused for a substantial and unwarranted amount of time and has caused the termination of grant agreements. For this reason, the Guidelines state that lack of responsiveness prior to finalizing and executing a grant agreement may result in withdrawal of the grant award. If grant awards are withdrawn or projects are terminated, the funds will be made available to other eligible CBI competitive proposals identified on the RPL in the order detailed applications are received.

POLICY ISSUE

Should the State Water Board adopt a resolution to:

1. Approve the proposed RPL for the CBI Program presented in Attachment A and make those projects eligible to compete for funding;
2. Authorize the Deputy Director of the Division to make Preliminary Funding Commitments and issue grants and amendments to implement the projects on the RPL in the order detailed applications are received until the funding is exhausted; and
3. Authorize the Deputy Director of the Division to withdraw grant agreements if applicants are non-responsive?

FISCAL IMPACT

Projects will be funded up to the authorized amount provided by the CBI local assistance appropriations in Propositions 50, 13 and 40.

REGIONAL WATER BOARD IMPACT

Yes. All coastal Regional Water Boards will be impacted.

STAFF RECOMMENDATION

That the State Water Board adopt a resolution to:

1. Approve the proposed RPL for the CBI Program and make those projects eligible to compete for funding;
2. Authorize the Deputy Director of the Division to make Preliminary Funding Commitments and issue grants and amendments to implement the projects on the RPL in the order detailed applications are received until the funding is exhausted; and
3. Authorize the Deputy Director of the Division to withdraw grant agreements if applicants are non-responsive.

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2007 -**

RESOLUTION APPROVING THE RECOMMENDED PROJECT LIST (RPL) FOR THE CLEAN BEACHES INITIATIVE (CBI) GRANT PROGRAM

WHEREAS:

1. In November 2002, voters approved the *Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002* (Proposition 50) authorizing the issuance of bonds to fund a variety of water quality improvement projects. The 2005/06 Budget Act appropriated \$23 million of Proposition 50 funds for CBI projects.
2. Additional funds amounting to approximately \$4.5 million is available from Propositions 13 and 40.
3. The State Water Board adopted the Clean Beaches Initiative Guidelines (Guidelines) on October 25, 2006 (Resolution No. 2006-0074) establishing the evaluation criteria and the review and selection process for the CBI Grant Program;
4. The Concept Proposal (CP) solicitation period for submission of project proposals was October 26, 2006 through January 31, 2007;
5. Applicants submitted CPs through the State Water Resources Control Board's (State Water Board's) on-line Financial Assistance Application Submittal Tool (FAAST). Consistent with the Guidelines, all complete and eligible CPs were evaluated and scored by the Clean Beaches Task Force (CBTF) and Regional Water Quality Control Board staff using FAAST. The CBTF met on February 26th and 27th, 2007, to discuss the proposals and determine the final CP scores;
6. The CBI Recommended Project List (RPL) was prepared by State Water Board staff, based on the final score for each CP, in accordance with the process outlined in the Guidelines;
7. Funding commitments will be issued by the Deputy Director of the Division of Financial Assistance (Division) in the order complete detailed applications are received until the funding is exhausted;
8. The Guidelines allow withdrawal of the grant awards to non-responsive applicants, and issuance of grant awards to other competitive proposals.

THEREFORE BE IT RESOLVED THAT THE STATE WATER BOARD:

1. Approves the proposed RPL for the CBI Program;
2. Authorizes the Deputy Director of the Division to make Preliminary Funding Commitments and issue grants and amendments to implement the projects on the RPL in the order detailed applications are received until the funding is exhausted; and
3. Authorizes the Deputy Director of the Division to withdraw grant agreements if applicants are non-responsive.

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 18, 2007.

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Clerk to the Board

Attachment A
Proposition 50 Clean Beaches Initiative
Recommended Project List

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RESEARCH PROJECTS

PIN	Applicant	Project	Requested Funds	Note
10111	Heal the Ocean	Shallow Ocean Wastewater Outfall Source Tracking	\$ 333,435	(1)
10463	County of Marin	Direct Rapid Pathogen Detection Based on Microbial Census and Phylochip Analysis	\$ 834,000	(1)
10490	City of Santa Barbara	Source Tracking Protocol Development	\$ 477,280	(1)
10503	University of California Davis	Humboldt Bay Microbial Source Tracking, Fate and Transport Study	\$ 500,000	(1)
Total Funds Requested:			\$ 2,144,715	

NORTHERN CALIFORNIA IMPLEMENTATION PROJECTS

Pin	Applicant	Project	Requested Funds	Notes
10108	Trinidad Rancheria	Trinidad Harbor and Beach	\$ 1,700,000	(1)(2)
10376	City of Pismo Beach	Ocean Water Quality Scientific Analysis	\$ 450,000	(1)
10467	County of Santa Cruz, Sanitation District	Capitola Beach at Noble Gulch Sewer Line Replacement	\$ 1,000,000	
10468	County of Sonoma, Department of Health Services	Campbell Cove "Hole in the Head" Pilot Diversion	\$ 654,483	(1)(2)
10470	City of Fort Bragg	Pudding Creek Beach Sewer Force Main Relocation Project	\$ 1,500,000	
10472	County of San Mateo, Resource Conservation District	Pillar Point Harbor Beaches Source ID & BMPs	\$ 845,037	(1)
10476	Sewer Authority Mid-Coastside	San Mateo County Beaches Sewer Lateral Replacements	\$ 1,181,250	
10483	County of Santa Cruz, Sanitation District	Rio Del Mar/Seacliff Beach @ Valencia Creek Sewer Relocation	\$ 520,000	
10491	County of Sonoma, Department of Regional Parks	Doran Beach Regional Park Restroom	\$ 125,000	
10494	City of Trinidad	Trinidad Bay, Mill and Luffenholtz Beaches OWTS Source Tracking & BMPs	\$ 328,037	(1)
10498	County of Santa Cruz, Sanitation District	Aptos Beach @ Valencia Creek Sewer & Lift Station	\$ 168,750	
10505	City of Pacifica	Pacifica State Beach @ San Pedro Creek Sewer Infrastructure Replacement/Upgrades & Wetlands Construction	\$ 1,418,750	(1)(2)
Total Funds Requested:			\$ 9,891,307	

SOUTHERN CALIFORNIA IMPLEMENTATION PROJECTS

Pin	Applicant	Project	Requested Funds	Note
10102	Carpinteria Sanitary District	Rincon Beach Septic to Sewer Project	\$ 2,156,750	
10153	City of Hermosa Beach	Hermosa Strand Infiltration Trench	\$ 1,720,800	(1)
10350	City of Los Angeles, Department of Public Works	Los Angeles County Beaches Multiple Low Flow Diversion Expansions	\$ 5,000,000	(1)
10373		City of Laguna Beach	Heisler Park Master Plan	\$ 5,000,000
10471	City of Avalon	Avalon Bay Water Quality Improvement Project	\$ 1,355,000	(1)
10485	City of Oceanside	Oceanside Beach at Lower San Luis Rey River Bacteria Source Tracking Study	\$ 554,375	(1)
10486	City of Santa Barbara	East Beach at Laguna Channel Watershed Assessment & Water Treatment Facility	\$ 220,000	
10488	City of Imperial Beach	Imperial Beach at Palm Avenue Low Flow Urban Runoff Diversion Project	\$ 1,292,000	
10492	City of San Diego	Mission Bay Watershed Stormwater Diversion and LID Initiative	\$ 2,296,000	(1)(2)
10496	City of Imperial Beach	Border Field State Park and Imperial Beach at the Tijuana River Bacterial Source Identification	\$ 1,029,000	(1)
Total Funds Requested:			\$ 20,623,925	

TOTAL REQUESTED FUNDS FOR RESEARCH, NORTHERN AND SOUTHERN PROJECTS:			\$ 32,659,947	
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Notes:

(1) - Applicant must work with assigned Clean Beaches Task Force (CBTF) member(s) during detailed application development to address CBTF questions and comments regarding the concept proposal.

(2) - CBTF recommends reduced scope for the indicated projects. The budget and grant award will be revised accordingly.