

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
MAY 22, 2007**

ITEM 10

SUBJECT

CONSIDERATION OF ADOPTION OF THE AMENDED SMALL COMMUNITY WASTEWATER GRANT (SCWG) PROGRAM GUIDELINES

DISCUSSION

The State Water Resources Control Board (State Water Board) was appropriated approximately \$50 million in grant funds for the SCWG program from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002 (Proposition 40) and the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50). The SCWG program helps small communities with a financial hardship correct public health and water quality problems. The SCWG grant program provides supplemental funding so that disadvantaged communities can complete projects that they otherwise might not be able to finance on their own. Approximately \$20 million remains available for local assistance to eligible small, disadvantaged communities.

The State Water Board adopted the *Small Community Wastewater Grant Program Guidelines* (Guidelines) by Resolution No. 2004-0038 on June 17, 2004, to implement the SCWG program. The Guidelines include the eligibility requirements and procedures for communities that apply for grant funds.

The Division of Financial Assistance (Division) has received comments that the classification criteria in the Guidelines do not always match how the Regional Water Quality Control Boards (Regional Water Boards) regulate communities within their regions. The Division has reevaluated the Guidelines with the participation of the Assistant Executive Officers, Office of Enforcement, National Pollutant Discharge Elimination System/Waste Discharge Requirements Roundtable, and Grants Roundtable to ensure that the classification criteria will include projects that are critical to the protection of water quality and compliance with Basin Plan objectives. Exhibit A ([Attachment](#)) is an excerpt of the existing Guidelines. It shows in strikeout-underline format the changes proposed for the classification criteria based on the reevaluation of the Guidelines. The complete Guidelines can be viewed at <http://www.waterboards.ca.gov/cwphome/scwg/guidelines.html> .

The proposed changes affect Section IV B. of the Guidelines. Section IV B specifies criteria for projects to qualify as a “Class B – Pollution Problems” project. (The Guidelines specify three types of projects: Class A – Existing or Potential Public Health Problems, Class B – Pollution Problems, and Class C – Other Projects.)

The existing language of Subsection 1 of Class B requires that the Regional Water Board take formal action for compliance with a National Pollutant Discharge Elimination System Permit or Waste Discharge Requirements. The changes to Subsection 1 will allow the Regional Water Boards or the Executive Officers to determine the best method of enforcement to meet the objectives of the Basin Plans, and allow those agencies that are subject to these time schedules to compete for available funds.

The existing language for Subsection 2 of Class B requires formal action by two separate agencies: a County Board of Supervisors, a City Council, or a County Health Officer and the Regional Water Board. Formal action by both agencies requires significant time and effort, and

appears to create an additional burden on disadvantaged communities. A declaration of a potential or existing pollution problem by a County Board of Supervisors, a City Council, or a County Health Officer is a significant action by itself, and should be a sufficient criterion to identify Class B projects. The recommended changes to Subsection 2 would relax the requirement so that a Regional Water Board resolution or action by the Executive Officer accepting the local declaration is sufficient to acknowledge the seriousness of the problem and allow the project to compete for grant funds. Subsection 2 would also allow a declaration of a potential or existing pollution problem by a local governing agency accepted by the Regional Water Board or Executive Officer as sufficient for placing a project in Class B.

Consistent with Proposition 50 requirements, the proposed Guideline Amendments have been noticed for public comment at least 30 days prior to two public meetings, one in Southern California and one in Northern California. The Southern California meeting will be held May 10, 2007, in San Diego, and the May 22, 2007 State Water Board Meeting will be used for Northern California meeting. Comments received during the comment period and at the public meetings will be considered for inclusion to the Guidelines.

POLICY ISSUE

Should the State Water Board adopt the amended SCWG Program Guidelines?

FISCAL IMPACT

The SCWG Program has approximately \$20 million available for local assistance to eligible small communities. The SCWG Program will fund projects jointly with other funding programs to help applicants successfully complete their beneficial projects until all the available funds are spent.

REGIONAL WATER BOARD IMPACT

The proposed amended Guidelines will enable small, disadvantaged communities to complete projects that will protect water quality and comply with the Regional Water Board Basin Plans.

STAFF RECOMMENDATION

The State Water Board should adopt the amended SCWG Program Guidelines.

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

ADOPTION OF THE AMENDED SMALL COMMUNITY WASTEWATER GRANT (SCWG)
PROGRAM GUIDELINES

WHEREAS:

1. The State Water Resources Control Board (State Water Board) is authorized to administer approximately \$20 million in grants funds that remain in the SCWG Program from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002 (Proposition 40) and the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) to eligible small, disadvantaged communities with financial hardship for projects that correct public health and water quality problems;
2. Grants from the SCWG Program are intended to assist in making projects affordable for small disadvantaged communities by funding a portion of their projects;
3. The Amendments to the *Small Community Wastewater Grant Program Guidelines*, are necessary to ensure that projects critical to the protection of water quality and compliance with Basin Plan objectives of the Regional Water Quality Control Boards (Regional Water Boards) are eligible to compete for the available funds; and
4. The proposed amendments to the *Small Community Wastewater Grant Program Guidelines* have been discussed with, and input has been considered from, State Water Board and Regional Water Board staff.

THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board adopts the Amended *Small Community Wastewater Grant Program Guidelines*.

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 May 22, 2007.

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Clerk to the Board