

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE  
MARCH 18, 2008**

**ITEM 4**

**SUBJECT**

CONSIDERATION OF A RESOLUTION FOR CLEAN WATER STATE REVOLVING FUND (SRF); STATE FISCAL YEAR (SFY) 2007/2008 INTENDED USE PLAN (IUP) AND FEDERAL FISCAL YEAR (FFY) 2008 FEDERAL CAPITALIZATION GRANT ACCEPTANCE

**DISCUSSION**

Federal law requires the State to submit an annual IUP to the U.S. Environmental Protection Agency (USEPA). The Division of Financial Assistance (Division) has prepared a proposed SFY 2007/2008 IUP consistent with federal rules. A copy of the SFY 2007/2008 IUP is contained in [Exhibit A](#).

The IUP is a planning document that explains how the SRF Program will be implemented during the fiscal year. It describes the types of activities that will be supported by the Program and explains the procedures the State Water Resources Control Board (State Water Board) will use to assure that the Program is administered in accordance with Federal and State requirements. The IUP identifies the sources and uses of funds for the Program, the forecasted financing agreements, the drawdown schedule for Federal funds, the long and short-term goals for the Program, and the relationship between the SRF Program and other financial assistance programs.

The SFY 2007/2008 IUP is based on the 2008 Omnibus Appropriations Act. California will be eligible for a grant of \$48.7 million for the 2008 FFY. The Division proposes that the Executive Director be authorized to apply for and accept the FFY 2008 Capitalization Grant. The Executive Director should be authorized to apply for and accept any amendments to the FFY 2008 Capitalization Grant.

The federal appropriation requires a 20 percent State match. The match money of about \$9.7 million for the FFY 2008 Capitalization Grant will be provided by local match contributions from local agencies participating in the local match program, transfers of any unobligated funds from the Water Quality Control Fund, and funds from Proposition 84 passed by the voters in November 2006.

**POLICY ISSUES**

Should the State Water Board: (1) approve the SFY 2007/2008 IUP; and (2) authorize the Executive Director to apply for and accept the FFY 2008 Capitalization Grant and any amendments thereto?

## **RWQCB IMPACT**

The FFY 2008 Capitalization Grant will allow the Division to continue to issue SRF financing to municipalities and eligible non-point source applicants. This will ensure that municipalities comply with Regional Water Quality Control Board discharge requirements and that non-point source projects are funded to support regional watershed activities.

## **FISCAL IMPACT**

The State Water Board currently has \$187.6 million in match funds in excess of what is required to match all previous grant awards. In addition, starting with the SFY 2007/2008, the State Water Board will have an additional \$76 million in matching funds from Proposition 84. The State match of \$7.9 million for the FFY 2008 Capitalization Grant will leave a balance of approximately \$253.9 million in match funds for future Capitalization Grants.

## **STAFF RECOMMENDATION**

That the State Water Board adopt a resolution approving the SFY 2007/2008 IUP and authorize the Executive Director to apply for and accept the FFY 2008 Capitalization Grant and any amendments thereto.

# DRAFT

## STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2008-

### CLEAN WATER STATE REVOLVING FUND (SRF) STATE FISCAL YEAR (SFY) 2007/2008 INTENDED USE PLAN (IUP) AND FEDERAL FISCAL YEAR (FFY) 2008 CAPITALIZATION GRANT ACCEPTANCE

#### WHEREAS:

1. The Division of Financial Assistance has prepared a draft SFY 2007/2008 IUP in compliance with federal rules, and such plans must be submitted to the United States Environmental Protection Agency annually per federal law;
2. California will be eligible to receive a grant of approximately \$48.7 million for the 2008 FFY;
3. The state match totaling about \$9.7 million will be provided from Proposition 84, the Water Quality Control Fund, and from the local match program; and
4. Authorization to apply for and accept the FFY 2008 Capitalization Grant and any amendments is needed.

#### THEREFORE BE IT RESOLVED THAT:

#### The State Water Resources Control Board:

1. Approves the SFY 2007/2008 IUP; and
2. Authorizes the Executive Director to apply for and accept the FFY 2008 Capitalization Grant and any amendments.

#### 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 March 18, 2008.

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Jeanine Townsend  
Clerk to the Board