

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 87-86
ADOPTION OF FY 1988 CLEAN WATER GRANT PROJECT PRIORITY LIST

WHEREAS:

1. The Division of Clean Water Grants has proposed a FY 1988 Project Priority List based on Regional Board and public input consistent with the Water Quality Act of 1987.
2. The Water Quality Act allows the states to set aside up to 20 percent of their allotment to fund major sewer system rehabilitation (Needs Category IIIIB), new collector sewers and appurtenances (Needs Category IVA), and combined sewer overflow correction (Needs Category V) projects. The current level of federal funding for this set-aside is not sufficient to meet the needs in these three categories.
3. The Water Quality Act requires delegated states to reserve a portion of their annual allotment for: 1) Construction Management Assistance Grants (CMAG); 2) Water Quality Management [205(j)(1)]; 3) Non-Point Source [205(j)(5)]; 4) Innovative/Alternative Grants; and 5) Advance of Allowance. A balance of \$999,608 exists in the Advance of Allowance reserve.
4. There are insufficient federal funds available to meet the needs of communities requesting grant funding in FY 1988. Further, unlimited funding in FY 1988 would result in a disproportionate share of grant funds be dispersed to a few large communities.
5. Section 3623(d) of the state regulations provides authority to the State Board to reduce the eligible cost of any treatment works or to place projects in any priority class it deems appropriate for effective and equitable distribution of available grant funds.
6. Federal regulations, under 40 CFR 35.2108 provide authority to fund a segment of a treatment works where the federal share would require a disproportionate share of the state's allotment.
7. There is a possibility that large Class B projects may proceed to grant award and use up the available funding before smaller Class A communities are ready for grant funding.
8. In addition to new awards, there is a need to provide funding for reasonable and necessary grant increases in FY 1988.
9. The Water Quality Act requires that construction grants under Section 201(g)(1) shall be made only to designated management agencies, and only for construction of treatment works which conform to an approved water quality management plan.

THEREFORE BE IT RESOLVED:

1. That the FY 1988 Priority List dated September 3, 1987 is adopted.
2. That 20 percent of the state's FY 1988 allotment is set aside for construction of new collector sewers and appurtenances only.
3. That four percent of the FY 1988 allotment is reserved for CMAG; one percent for Water Quality Management; one percent for Non-Point Source; four percent for Innovative/Alternative projects; and no additional funds set aside in FY 1988 for the Advance of Allowance reserve.
4. That the City of Los Angeles be required to segment its proposed FY 1987 projects to segregate the nontreatment portions from the treatment portions thereof, which nontreatment segment shall be deferred for funding to a later fiscal year.
5. That unlimited grant funding for the City of Los Angeles, the Los Angeles County Sanitation Districts, the City and County of San Francisco and the East Bay Municipal Utility District during FY 1988 would require that a major and disproportionate share of grant funds be dispersed to these agencies. To eliminate disproportionate grant funding and to provide for effective use of limited grant funds:
 - (A) The four agencies indicated above shall segment their FY 1988 projects to segregate the nontreatment portions thereof, which nontreatment segments shall be deferred for funding to a later fiscal year; and
 - (B) Projects for all communities on the FY 1988 Project Priority List shall be further segmented as necessary, to limit funding for any one community to approximately \$25 million of federal grant funds. All other project segments shall be deferred for funding to a later fiscal year.
6. That the contingency projects identified by an asterisk (*) on the FY 1988 Project Priority List be approved for funding in FY 1988 if excess federal funds become available.
7. That the State Board, under Section 3623(d) of the state regulations, place projects for the Marina County Water District, the City of San Diego Land Outfall, and the City of Portola, respectively as the number one, two, and three priorities in Class B.
8. That the Hyperion project, under Section 3622 (a) (1) of the state regulations, be ranked above all other projects in Priority

Class B, except for Marina, the City of San Diego, and Portola, which are placed as the first, second, and third highest ranked projects in Class B.

9. That the State Board under Section 3623(d) of the state regulations place the Los Angeles County Sanitation District's 50 MGD Secondary Treatment project in Priority Class B and designate it as the last fundable Class B project.
10. That \$50 million will be set-aside for Class A projects only. On September 1, 1988, any remaining funds in the set-aside will be made available to all projects on the fundable portion of the list.
11. That a sum of \$65 million in federal funds for grant increases is approved to compete with new awards on a "first-come, first-served" basis in FY 1988.
12. That in accordance with Section 208(d) of the Water Quality Act, all agencies listed on the FY 1988 Priority List are hereby designated as management agencies for the construction of treatment works under Section 201(g)(1) of the Act, and the identified treatment works conform to an approved water quality management plan.

CERTIFICATION

The undersigned, Administrative Assistant 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 September 3, 1987.


Maureen Marche
Administrative Assistant to the Board