

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2013-0004**

**APPROVAL OF A STREAMLINED PROCESS FOR ADMINISTERING RESIDUAL BOND FUNDS TO SMALL DISADVANTAGED COMMUNITY WASTEWATER PROJECTS**

WHEREAS:

1. Previously committed bond funds have been disencumbered from several small disadvantaged community wastewater projects (Residual Bond Funds). Some of these Residual Bond Funds are currently available to commit to other small disadvantaged community wastewater projects, and some Residual Bond Funds are expected to become available in the future;
2. Awarding the Residual Bond Funds to eligible small disadvantaged community wastewater projects already applying for funds through the Clean Water State Revolving Fund (CWSRF) Program would streamline the process of administering the Residual Bond Funds, while still maintaining a statewide competitive process;
3. The Residual Bond Funds come from a variety of different sources:
  - Proposition 50 (2002) – Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (California Water Code Section 79540);
  - Proposition 40 (2002) – The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (California Public Resources Code Section 30925);
  - Proposition 13 (2000) – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (California Water Code Section 79122(b));
  - Proposition 204 (1996) – Safe, Clean, Reliable Water Supply Act (California Water Code Section 78613(b));
  - Proposition 82 (1988) – Water Conservation Bond Law (California Water Code Section 14056);
  - Proposition 25 (1984) – Bonds for Water Projects (California Water Code Section 13999.9); and
  - Proposition 2 (1978) – Bonds for Water Conservation (California Water Code Section 13962(b)).
4. The Residual Bond Fund sources do not have any administrative funds remaining;
5. The *Small Community Wastewater Grant (SCWG) Program Guidelines* (Guidelines) and SCWG Statewide Competitive Projects List (CPL) were last updated in 2007. The procedures in the Guidelines are out-of-date and require a comprehensive overhaul that would divert staff from their ongoing workload of administering CWSRF funding for small disadvantaged community wastewater projects. Also, it would not be prudent to utilize the 2007 CPL in administering the Residual Bond Funds, as newer projects would be excluded from the process;

6. The CWSRF funding approval and administration process, and the priority classification from the Guidelines, should be used to administer the Residual Bond Funds; and
7. The Residual Bond Funds should be allocated in a manner that is consistent with the eligibility requirements and funding amounts outlined for CWSRF Small Community Grant (SCG) funds in the CWSRF Intended Use Plan (IUP).

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Directs Residual Bond Funds from the following sources to eligible small disadvantaged community wastewater projects applying for funds through the CWSRF Program:
  - Proposition 50 (2002) – Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (California Water Code Section 79540);
  - Proposition 40 (2002) – The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (California Public Resources Code Section 30925);
  - Proposition 13 (2000) – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (California Water Code Section 79122(b));
  - Proposition 204 (1996) – Safe, Clean, Reliable Water Supply Act (California Water Code Section 78613(b));
  - Proposition 82 (1988) – Water Conservation Bond Law (California Water Code Section 14056);
  - Proposition 25 (1984) – Bonds for Water Projects (California Water Code Section 13999.9); and
  - Proposition 2 (1978) – Bonds for Water Conservation (California Water Code Section 13962(b)).
2. Waives the Guidelines except Section IV.B (as summarized in the following chart) for all projects funded after the date of this resolution. The Guidelines will remain in effect for projects funded prior to the date of this resolution.

Class	Description
<b>A – Public Health Problems</b>	<p>Treatment plant or new collection system projects required to alleviate existing or potential public health hazards where:</p> <p><b>1. For Unsewered Areas:</b></p> <p>a. County Board of Supervisors or County Health Officer has issued a declaration that there is a potential or existing public health hazard in the small community involved; and</p> <p>b. A resolution is adopted by the authorized governing body requiring hook-up of existing residences and businesses to the public wastewater system when it is available, prohibiting the construction and use of new septic tanks in the existing or potential health hazard area, and providing final authority to the Regional Board for approving any exemptions; and</p> <p>c. Regional Board adopts a resolution approving the local health hazard declaration and moratorium.</p> <p>d. A Regional Board prohibition is acceptable in lieu of b and c above.</p> <p><b>2. For Sewered Areas:</b></p> <p>a. County Board of Supervisors or County Health Officer has issued a declaration that there is a potential or an existing public health hazard due to discharge from the wastewater treatment plant or from overflows in the collection system; and</p> <p>b. Regional Board has adopted a Cease and Desist Order containing a prohibition on new connections to the treatment works until the necessary corrections are made.</p>
<b>B – Pollution Problems</b>	<p>Projects required to alleviate potential or existing water pollution problems where:</p> <p>1. Regional Board or the Regional Board Executive Officer has determined that there is a potential or existing water pollution problem and has issued a time schedule to meet the objectives of the Basin Plan; or</p> <p>2. County Board of Supervisors, City Council, County Health Officer, or local governing agency has issued a declaration that there is a potential or an existing pollution problem in the small community involved and has adopted a time schedule for compliance, and the Regional Board or Regional Board Executive Officer has accepted the local declaration.</p>
<b>C – Other</b>	Projects not included in the above classes.

3. Directs staff to use the Residual Bond Funds for ready-to-proceed projects that are consistent with the project types previously funded through the SCWG Program, that also meet the specific requirements associated with the given bond funding source(s);
4. Directs staff to utilize the CWSRF funding approval and administration process (including the *Policy for Implementing the CWSRF for Construction of Wastewater Treatment Facilities* and the *CWSRF Intended Use Plan*, as each may be amended or updated from time to time) to administer the Residual Bond Funds;
5. Delegates to the Deputy Director of the Division the authority to certify that a project qualifying for either Class A or B above, the project types previously funded under the SCWG Program, is eligible for funding, consistent with Board priorities, and entitled to funding priority;

6. Rescinds the \$2 million dollar cap on funding per eligible small community, as specified in State Water Board [Resolution No. 2007-0052](#), and directs Division staff to allocate the Residual Bond Funds in a manner that is consistent with the eligibility requirements and funding amounts outlined for CWSRF SCG funds in the *CWSRF Intended Use Plan*, as may be amended or updated from time to time (typically at least annually); and
7. Authorizes the Deputy Director of the Division to award Residual Bond Funds, issue grants and amendments to implement projects, and expend Residual Bond Funds according to the criteria outlined above and in accordance with any directive(s) from the Department of Finance and/or State Controller's Office as relate to the availability of funding for local assistance appropriations, until all Residual Bond Funds are exhausted.

### 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 February 19, 2013.

AYE:            Chairman Charles R. Hoppin  
                    Vice Chair Frances Spivy-Weber  
                    Board Member Tam M. Doduc  
                    Board Member Felicia Marcus

NAY:            None

ABSENT:       Board Member Steven Moore

ABSTAIN:      None

  
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Jeanine Townsend  
Clerk to the Board