

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2026-0009**

**DELEGATING AUTHORITIES FOR USE AND ALLOCATION OF AVAILABLE
CLEANUP & ABATEMENT ACCOUNT FUNDS FOR TIER 2 – SECONDARY
URGENCY CLEAN-UP & ABATEMENT ACCOUNT PROJECTS**

WHEREAS:

1. The Cleanup & Abatement Account (CAA) is established by Water Code sections 13440 to 13444. The CAA is funded by various monies including those: appropriated by the Legislature; collected as part of criminal penalties or civil proceedings brought pursuant to Division 7 of the Water Code; collected or recovered by the State Water Resources Control Board (State Water Board) or a Regional Water Quality Control Board (Regional Water Board) under Chapter 6.7 of Division 20 of the Health and Safety Code; and repaid by loan recipients, including principal, interest, and fees. (Wat. Code, § 13441.)
2. The CAA is funded primarily through fines and penalties collected through Administrative Civil Liability (ACL) orders issued by the Regional Water Boards. In some instances, a court judgment or settlement agreement specifies how collected funds are to be spent (e.g., a specific cleanup, investigation, or supplemental environmental project [SEP]). Those funds may be “set aside” in the CAA for that identified purpose, consistent with statutes governing uses of the CAA.
3. The CAA is also used for expenditure and cost recovery of the Site Cleanup Program and other incidental expenditures for other programs, including expenditures by CalRecycle and CalEPA.
4. After accounting for these needs and other commitments, remaining CAA funds may be utilized for the purposes authorized by the statute. Available funds may be awarded to two categories of projects: projects that assist in cleaning up a waste or abating the effects of waste on waters of the State and projects that address urgent drinking water needs.
5. The CAA Funding Program Guidelines adopted on December 11, 2018 (CAA Guidelines) prioritize available CAA funding first for “Tier 1 – Primary Urgency” projects that require immediate action to mitigate a significant threat to the environment or a threat to public health and safety where there has been no viable responsible party identified, or where the viable responsible party is unwilling or unable to adequately respond to the emergency, as well as projects that address urgent drinking water needs.

6. Thereafter, available CAA funding may be prioritized for “Tier 2 – Secondary Urgency” projects that address a less urgent need to clean up a waste or abate the effects of a waste on waters of the State where no viable responsible party has been identified, or where the viable responsible party is unwilling or unable to adequately respond.
7. The June 30, 2025 uncommitted cash balance of the CAA was approximately \$23 million. Approximately \$11.4 million in additional funds collected through a San Diego Regional Board ACL penalty payment was deposited in early July 2025, for a combined CAA uncommitted fund balance of approximately \$34.4 million. Regional Boards continue to issue ACL fines and collect penalties into the CAA on an ongoing basis.
8. Since 2019, the State Water Board has committed over \$2.6 billion in grants to support projects to improve public health and environmental quality in economically disadvantaged communities and environmental justice communities (communities with a CalEnviroScreen score of 50 or greater), including Tribal communities. State Water Board funding programs support a variety of drinking water and clean water infrastructure and environmental cleanup projects.
9. Since 2021, the State Water Board has committed over \$20.4 million to SEPs across Regional Water Boards. While SEPs aim to reinvest in communities impacted by pollution, their effectiveness may be limited by challenges such as: unpredictable funding and outdated project lists, responsible parties prioritizing their interests over community needs, liability concerns that deter community-led efforts, and a burdensome application process for organizations with limited capacity.
10. The State Water Board recognizes certain types of projects located in Tribal communities, disadvantaged communities, and environmental justice communities may not be eligible for State Water Board programs with ongoing funding availability. Such projects may be eligible for funding under the eligibility requirements of the CAA. The State Water Board recognizes that investments of State resources to improve outcomes for Tribal communities, disadvantaged communities, and environmental justice communities need to lead to or directly result in tangible results.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Designates \$15,000,000.00 and \$725,000.00 of the uncommitted CAA funds for use by the Regional Water Boards and the Division of Water Quality, respectively, for Tier 2 – Secondary Urgency projects via grants and contracts

consistent with the CAA statutes and the Eligibility Requirements (Section A.3), Application Review Process (Section A.5.2), and Funding Process (Section C) described in the CAA Guidelines. Contracts executed consistent with this designation are not subject to the \$1,500,000.00 maximum and three-year duration limit expressed in State Water Board Resolution No. 2025-0003.

2. Directs the Deputy Director of the Division of Financial Assistance (DFA) to allocate the \$15,000,000.00 in CAA funds designated for the Regional Water Boards in RESOLVED Item 1 based on a formula which provides a baseline amount (\$850,000) to each Regional Water Board, for a total of \$7.65 million, and distributes the remaining funds proportional to the fines and penalties/settlements collected and deposited to the CAA from the respective Regional Water Boards from State Fiscal Year 2020/2021 through State Fiscal Year 2024/2025, including a \$11,419,608 fine issued by the San Diego Regional Water Board in State Fiscal Year 2024/2025 and collected and deposited in the CAA in July 2025. After the initial allocation described in this RESOLVED Item 2, the Deputy Director may reallocate the CAA funds designated for the Regional Water Boards upon concurrence of the affected Regional Water Boards.
3. Designates an additional \$5 million of uncommitted CAA funds for use by the State Water Board for Tier 2- Secondary Urgency projects via grants for qualifying CAA projects that benefit disadvantaged environmental justice communities or those that benefit Tribal communities.
4. Authorizes the Deputy Director of DFA or designee, partnering with the Director of the Office of Public Engagement, Equity, and Tribal Affairs (OPEETA), to solicit and select projects to allocate the \$5 million in CAA funds designated in RESOLVED Item 3 consistent with the CAA statutes; the Ineligible Project Types (Section A.3.3) and Funding Process (Section C) described in the CAA Guidelines; and the following eligibility requirements and criteria:
 - a. Eligibility Requirements:
 - i. The project must assist in cleaning up a waste or abating the effects of waste on waters of the State consistent with Water Code section 13442(b).
 - ii. Eligible entities are: public agencies, Tribal governments, non-profits serving disadvantaged communities consistent with Water Code section 13442(b).
 - iii. The project must benefit:
 - a. a Tribal community or

- b. a community that is both economically disadvantaged or severely disadvantaged, and environmentally burdened as demonstrated through a CalEnviroScreen score of 50 or greater.
 - iv. The project must include a community engagement and outreach component directly related to project implementation. Applicants may describe prior engagement activities related to project implementation and explain how it informs their proposed ongoing engagement approach.
 - v. The project may not request less than \$1 million of CAA funds or more than \$5 million.
 - vi. The project must be designed to be completed within 5 years.
 - b. Project evaluation criteria will include, but is not limited to:
 - i. For monitoring/assessment projects – (A) demonstration that data/information will assist in cleaning up a waste or abating the effects of a waste discharge; (B) evaluation of how the data/information will be used to design a project to cleanup a waste or abate the effects of a waste discharge.
 - ii. For projects intended to clean up a waste or abate the effects of a waste on waters of the state – (A) estimate of the expected environmental and/or human health benefits of the project ; (B) projected timeframe of the expected project benefits.
 - iii. Adequacy of community engagement/outreach - (A) Understand community’s history with environmental issues, (B) Identify key leaders and stakeholders, (C) Address cultural or language barriers, (D) Maintain regular, transparent communication throughout the project, (E) Build and maintain partnerships with community organizations.
 - iv. Demonstration that the project can be carried out within five (5) years.
 - v. Demonstration that the project advances State Water Board goals or priorities.
 - vi. Determination as to whether the project can be funded under other programs administered by the State Water Board, even if funding available in those other programs is not adequate to meet demand. Preference will be given to projects that are not eligible for funding under other State Water Board administered programs.
5. The Guidelines shall not apply to the selection of projects described in RESOLVED Items 1 and 4, with the exception of the sections of the Guidelines as specified therein.
 6. In selecting CAA projects to fund under RESOLVED Item 4, the Deputy Director of DFA, or designee, in partnership with the Director of the Office of

Public Engagement, Equity, and Tribal Affairs, shall include the Water Board's Environmental Justice Roundtable and other Water Board Program leads with applicable technical expertise, in the process to solicit, evaluate, and recommend projects for CAA funding.

7. Directs the Deputy Director of DFA, or designee, to provide the State Water Board Members with the list of projects that the Deputy Director of DFA, or designee, intends to fund, as well as the full list of project applicants. Included with the list of projects, the Deputy Director of DFA, or designee, shall describe the solicitation process, the scoring and evaluation criteria, scores received by eligible projects, and the rationale for not selecting any top scoring projects that would otherwise have been fundable.
8. Authorizes the Deputy Director of DFA, or designee, to approve or deny funding for uses consistent with the foregoing; and to execute grant agreements and amendments thereto to disburse funds for such uses; and to perform all acts and to do all things necessary and convenient to facilitate the implementation of such agreements.

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 17, 2026.

AYE: Chair E. Joaquin Esquivel
 Board Member Sean Maguire
 Board Member Laurel Firestone
 Board Member Nichole Morgan

NAY: None

ABSENT: Vice Chair Dorene D'Adamo

ABSTAIN: None



Courtney Tyler
Clerk to the Board