

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
OCTOBER 21, 2014**

ITEM 6

SUBJECT

CONSIDERATION OF A RESOLUTION TO ADOPT THE POLICY FOR IMPLEMENTING THE DRINKING WATER STATE REVOLVING FUND (DWSRF POLICY HANDBOOK)

DISCUSSION

The DWSRF program provides various types of financial assistance to public water systems for projects that address public health risk problems, are needed to comply with federal requirements, and assist those most in need on a per household affordability basis.

On July 1, 2014, the DWSRF program was transferred from the California Department of Public Health to the State Water Resources Control Board (State Water Board). The legislation effecting this transfer directs the State Water Board to implement the DWSRF program pursuant to a policy handbook (Health & Safety Code, § 116760.43). Adoption of the DWSRF Policy Handbook will cause the repeal of the existing DWSRF regulations at Chapter 12 of Title 22 of the California Code of Regulations, commencing with Section 63000 and continuing through Section 63058.

Division of Financial Assistance (Division) staff prepared a Public Notice advising interested parties of their opportunity to review and comment on the proposed DWSRF Policy Handbook. The Public Notice was posted on the State Water Board Web site on September 5, 2014. The Public Notice gave interested parties until 12:00 noon on October 6, 2014 to submit written comments to the State Water Board. Division staff also notified subscribers of the State Water Board's electronic mailing lists of the opportunity to comment on the DWSRF Policy Handbook. In addition to the DWSRF Policy Handbook, as shown in Exhibit A, the Appendices were posted on the State Water Board website for interested parties.

The goal of the DWSRF Policy Handbook is to make the funding process easier for applicants, develop a priority list that is more useful for Division staff, develop consistency with the procedures used by the Division for similar funding programs, and adjust the priority system to ensure projects addressing severe domestic water outages, such as those caused by drought conditions, are given increased priority.

The greater flexibility and efficiency associated with the DWSRF Policy Handbook proposed by the Division will help offset to some degree the other obstacles, such as limited availability of grant funds and a lack of local technical, managerial, and financial capacity, commonly encountered while attempting to solve drinking water problems.

POLICY ISSUE

Should the State Water Board adopt the DWSRF Policy Handbook?

FISCAL IMPACT

No direct fiscal impact.

REGIONAL BOARD IMPACT

Implementation of the DWSRF Policy Handbook will continue to support drinking water system improvements and enforcement efforts of the district offices.

HUMAN RIGHT TO WATER ANALYSIS

Staff has considered Section 106.3 of the Water Code (added by Assembly Bill 685 [Stats. 2012, ch. 524]). This proposed action supports the Human Right to Water because it will assist disadvantaged communities with obtaining safe drinking water by reducing their financing costs and providing technical assistance needed to obtain financing for safe drinking water projects.

STAFF RECOMMENDATION

The State Water Board should adopt the DWSRF Policy Handbook as shown in Exhibit A.

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| <p>State Water Board action on this item will assist the Water Boards in reaching Goal 6 of the Strategic Plan Update: 2008-2012 to enhance consistency across the Water Boards, on an ongoing basis, to ensure our processes are effective, efficient, and predictable, and to promote fair and equitable application of laws, regulations, policies, and procedures.</p> |
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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2014-

TO ADOPT THE POLICY FOR IMPLEMENTING THE DRINKING WATER STATE
REVOLVING FUND (DWSRF POLICY HANDBOOK)

WHEREAS:

1. The State Water Resources Control Board (State Water Board) is successor to the California Department of Public Health (CDPH) as the implementing state agency for the Drinking Water State Revolving Fund (DWSRF);
2. The DWSRF is used by the State Water Board to provide financial assistance to public water systems, technical assistance to water system applicants, and funding for public water system supervision and regulatory oversight;
3. Pursuant to Section 116760.43 of the Health and Safety Code, adoption of the DWSRF Policy Handbook will trigger the repeal of the existing DWSRF regulations at Chapter 12 of Title 22 of the California Code of Regulations, commencing with Section 63000 and continuing through Section 63058; effective the following January 1st;
4. The Division of Financial Assistance posted notice on the State Water Board's website on September 5, 2014, notifying interested parties of the opportunity to comment;
5. An email notification was also sent to interested parties;
6. Written comments were due at noon on October 6, 2014; and
7. The DWSRF Policy is expected to make the funding process easier and quicker for applicants and provide a more flexible framework for Division staff to implement the program.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts the [DWSRF Policy Handbook](#) effective January 1, 2015.
2. The State Water Board repeals the regulations at Chapter 12 of Title 22 of the California Code of Regulations, commencing with Section 63000 and continuing through Section 63058, effective January 1, 2015.

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 October 21, 2014.

Jeanine Townsend
Clerk to the Board