

**CORRECTED VERSION**  
**STATE WATER RESOURCES CONTROL BOARD**  
**RESOLUTION NO. 2014-0015**

TO PROVIDE FINANCIAL INCENTIVES IN RESPONSE TO THE GOVERNOR'S DROUGHT  
PROCLAMATION FOR NEAR-TERM RECYCLED WATER PROJECTS FUNDED THROUGH  
THE CLEAN WATER STATE REVOLVING FUND (CWSRF)

WHEREAS:

1. California is experiencing record dry conditions. These dry conditions are anticipated to continue through 2014 and are forecasted to be more regular based on climate change projections;
2. The Governor issued a "Proclamation of a State of Emergency"(Drought Proclamation) on January 17, 2014;
3. Order Number 6 of the Governor's Proclamation states "*The Department of Water Resources and the Water Board will accelerate funding for water supply enhancement projects that can break ground this year and will explore if any existing unspent funds can be repurposed to enable near-term water conservation projects.*";
4. In addition to the Proclamation, the State Water Board would like to respond to the Drought emergency by offering financing incentives for the construction of recycled water facilities;
5. The State Water Resources Control Board (State Water Board), on May 7, 2013, amended the "*Policy for Implementing the Clean Water State Revolving Fund*" (Policy);
6. The State Water Board adopted the "*Water Recycling Funding Program Guidelines*" and amended them on July 15, 2008 (Guidelines) which are incorporated into the CWSRF Policy Appendix;

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Division of Financial Assistance (Division) to offer very low interest financing for water recycling projects from the CWSRF for recycled water projects;
2. Establishes the following primary guidelines for staff to follow while implementing the very low interest financing;
  - Water recycling projects shall meet the qualifications of the Guidelines and offset or augment State water supplies;
  - Financing will be distributed as fairly as possible and should be distributed in a manner that takes into account response to the Governor's Drought Proclamation;
  - Financing will be obligated based on the order of the Division's receipt of Complete Applications for financial assistance through the CWSRF;

- Projects with earlier construction start dates should receive priority for financing before projects with later construction start dates if funds become limited;
  - “Near-term” projects are generally those that could be constructed within three years of the Governor’s Drought Proclamation;
  - Applicants that currently have financing agreements that have been initiated pursuant to Section IV(C)(1) of the CWSRF policy have already been assigned interest rates and are not eligible for reductions under this resolution.
3. Establishes a 1.0% interest rate, with an aggregate cap of \$800 million, through December 2, 2015 for those Applicants that submit financial assistance applications for water recycling projects.
  4. Delegates to the Executive Director, in consultation with the State Water Board Chair and Vice Chair, the ability to extend the allocation time frames or increase funding limits up to 10%, so long as the financial health of the fund is maintained.

**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, 2014.

AYE: Vice Chair Frances Spivy-Weber  
Board Member Tam M. Doduc  
Board Member Steven Moore  
Board Member Dorene D’Adamo

NAY: Chair Felicia Marcus

ABSENT: None

ABSTAIN: None


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Jeanine Townsend  
Clerk to the Board