

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2016-0008**

TO AMEND AND CLARIFY THE REDUCED INTEREST RATE INCENTIVE FOR RECYCLED  
WATER PROJECTS FUNDED THROUGH THE CLEAN WATER STATE REVOLVING FUND  
(CWSRF) IN RESPONSE TO THE DROUGHT

WHEREAS:

1. California has experienced record dry conditions for the last four years. These dry conditions can occur on a regular basis, and are projected to be exacerbated by climate change;
2. The Governor issued a "Proclamation of a State of Emergency" (2014 Drought Proclamation) on January 17, 2014;
3. Order Number 6 of the 2014 Drought 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. Among other activities taken, the State Water Board responded to the 2014 Drought Proclamation by offering financing incentives through its CWSRF program for the construction of recycled water facilities in its [Resolution No. 2014-0015](#) adopted on March 18, 2014;
5. The State Water Board is required under both state and federal law to maintain the CWSRF in perpetuity;
6. Resolution No. 2014-0015 reduced the CWSRF's interest rate to 1.0 percent with a cap of \$800 million for water recycling projects for which complete financial assistance applications had been submitted to the Division of Financial Assistance (Division) by December 2, 2015;
7. On November 4, 2014, the voters passed the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1);
8. Proposition 1 authorized the State Water Board to provide \$725 million for water recycling project loan and grant funding, which program is also implemented by the Division; and
9. By December 2, 2015, the Division received complete applications for water recycling projects that exceeded the State Water Board's \$800 million cap on 1.0 percent funding for CWSRF projects.

THEREFORE BE IT RESOLVED THAT:

The State Water Board amends and clarifies Resolution No. 2014-0015 as follows:

1. The \$800 million cap on 1.0 percent CWSRF financing set forth in Resolution No. 2014-0015 is rescinded;
2. The Deputy Director of the Division is authorized to approve 1.0 percent CWSRF financing for any otherwise eligible water recycling project where a complete application, as determined by the Division, for that project was submitted on or before December 2, 2015;
3. The State Water Board shall limit 1.0 percent CWSRF financing to those projects with an application submitted on or before December 2, 2015 and not allow substitutions if any of those projects are unable to proceed for any reason.

### 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 16, 2016.

AYE: Chair Felicia Marcus  
Vice Chair Frances Spivy-Weber  
Board Member Tam M. Doduc  
Board Member Dorene D'Adamo

NAY: None

ABSENT: Board Member Steven Moore

ABSTAIN: None

  
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Jeanine Townsend  
Clerk to the Board