

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2022-0039**

AUTHORIZE ADDITIONAL FUNDING FOR SOQUEL CREEK WATER DISTRICT'S
PURE WATER SOQUEL PROJECT AND EASTERN MUNICIPAL WATER DISTRICT'S
PERRIS NORTH BASIN PROJECT

WHEREAS:

1. Soquel Creek Water District (Soquel WD) was awarded a \$2,000,000 planning grant and a \$50,000,000 implementation grant for the Pure Water Soquel project; and Eastern Municipal Water District (EMWD) was awarded a \$44,944,700 implementation grant for the Perris North Basin project.
2. Soquel WD and EMWD serve non-disadvantaged communities (non-DACs).
3. Soquel WD and EMWD have submitted requests for additional grant funding in the amounts of \$26.5 million and \$17 million, respectively, due to significant increases in construction costs.
4. The Proposition 1 Groundwater Grant Program (GWGP) Guidelines authorize the Deputy Director of the Division of Financial Assistance (DFA) to award a maximum grant amount of \$50 million per project for implementation projects.
5. The requests for additional funding from Soquel WD and EMWD require approval from the State Water Resources Control Board (State Water Board) because the total funding amounts for the two agencies' projects would exceed \$50 million each.
6. The GWGP is currently in its third and final round of project solicitations (Round 3).
7. The additional funding requests from Soquel WD and EMWD, if approved by the State Water Board, will limit funding available to Round 3 applicants.
8. Resolution No. 2022-0017 directs DFA to evaluate the effect of providing additional funding to existing GWGP recipients that serve non-DACs and have requested budget increases, and to provide recommendations to the State Water Board regarding additional funding to those entities.
9. There is approximately \$91 million in demand from projects that serve non-DACs compared to approximately \$60 million in uncommitted funds.
10. The Soquel WD project is eligible for loan funds from the Water Recycling Funding Program (WRFP).

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Deputy Director of DFA to amend existing Proposition 1 GWGP grant agreements with Soquel WD and EMWD to provide up to \$63,250,000 in implementation project funds for Soquel Creek's Pure Water Soquel project, and up to \$62,000,000 for EMWD's Perris North Basin project.
2. Clarifies that, except for the \$50 million per project limitation, all other authorities and requirements of the GWGP Guidelines still apply to these projects.
3. Authorizes the Deputy Director DFA to execute a Proposition 1 WRFPP loan up to \$13.25 million with an interest rate of 1.60 percent and term of up to 30 years with the Soquel WD.

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 3, 2022.

AYE: Chair E. Joaquin Esquivel
Vice Chair Dorene D'Adamo
Board Member Sean Maguire
Board Member Laurel Firestone
Board Member Nichole Morgan

NAY: None

ABSENT: None

ABSTAIN: None

 for

Jeanine Townsend
Clerk to the Board