

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2024-0010**

AMENDING THE STATE FISCAL YEAR 2023-24 CLEAN WATER STATE
REVOLVING FUND INTENDED USE PLAN BY PROVIDING THE DIVISION OF
FINANCIAL ASSISTANCE DEPUTY DIRECTOR WITH DISCRETION TO
REDUCE THE WATER RECYCLING FUNDING PROGRAM CONSTRUCTION
GRANT MAXIMUM

WHEREAS:

1. The State Water Board adopted the State Fiscal Year (SFY) 2023-24 Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP) on September 6, 2023.
2. Appendix F of the 2023-24 CWSRF IUP sets the Water Recycling Funding Program (WRFP) Grant and Loan maximums for construction projects. Currently, eligible water recycling planning projects may receive up to \$500,000 in grant funds and eligible water recycling construction projects may receive up to \$15,000,000 in grant funds.
3. On January 10, 2024, the State of California released the Governor's Proposed Budget proposing to reduce the amount of General Fund appropriations for water recycling and groundwater cleanup by approximately \$174.4 million and a delay of approximately \$100 million until SFY 2025-26.
4. To date, the Division of Financial Assistance (DFA) has encumbered approximately \$48.9 million of the 2021 Budget Act General Fund appropriation for water recycling planning and construction projects, and approximately \$3.75 million committed to DFA support.
5. DFA staff estimates approximately \$41.5 million in grant funding will be available through Proposition 1 grant, Proposition 68 grant, and the remaining General Fund appropriations. Currently, there are eleven pending applications requesting approximately \$149.6 million in WRFP construction grant funds.
6. Construction projects listed on the SFY 2023-24 IUP Fundable List and impacted by a reduced maximum WRFP grant may be considered for additional WRFP grant or principal forgiveness in the SFY 2024-25 CWSRF IUP depending on funding availability. Such consideration

applies to those projects for which a financing agreement has been executed, as well as those projects with a pending financing agreement.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Amends the SFY 2023-24 CWSRF IUP, Appendix F by adding the following sentence to the end of footnote 56: "The Deputy Director may reduce the maximum grant amount provided per project based on actual or anticipated availability of grant funding and demand for such funds."

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 19, 2024.

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



Courtney Tyler
Clerk to the Board