

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
DECEMBER 15, 2015**

ITEM 6

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION APPROVING UP TO \$5 MILLION OF DROUGHT-RELATED DRINKING WATER EMERGENCY FUNDING FOR INTERIM OR PERMANENT DRINKING WATER SOLUTIONS FOR HOUSEHOLDS SERVED BY DOMESTIC WELLS OR BY WATER SYSTEMS SERVING FEWER THAN 15 CONNECTIONS

DISCUSSION

Due to severe and persistent drought conditions in the State of California, the Governor issued a "[Proclamation of a State of Emergency](#)" on January 17, 2014 and a "[Proclamation of a Continued State of Emergency](#)" on April 25, 2014. The Governor has subsequently issued drought emergency-related Executive Orders [B-26-14](#), [B-28-14](#), [B-29-15](#), and [B-36-15](#).

Assembly Bill (AB) 91 (Stats. 2015, ch. 1) added Item 3940-101-0679 to Section 2.00 of the Budget Act of 2014 (Item 3940-101-0679), which appropriated \$15 million from the State Water Pollution Cleanup and Abatement Account (CAA) to the State Water Resources Control Board (State Water Board) to "address drought-related drinking water emergencies or threatened emergencies, without regard to whether the need for emergency drinking water is as a result of the discharge of waste." AB 91 also added Item 3940-102-0679 to Section 2.00 of the Budget Act of 2014, which appropriated an additional \$4 million from the CAA to the State Water Board to "provide interim emergency drinking water to disadvantaged communities with contaminated drinking water supplies, without regard to the source of contamination, including those contaminated drinking water supplies exacerbated by drought conditions." In total, there is \$19 million appropriated from the CAA under AB 91 for projects that address drinking water emergencies.

On May 19, 2015, the State Water Board adopted [Resolution 2015-0035](#), which delegated authority and approved [Funding Guidelines](#) for administering the \$19 million in AB 91 emergency drinking water funding.

The Governor's Executive Order B-36-15, issued November 13, 2015, directed the State Water Board to use up to \$5 million of the \$15 million appropriated from the CAA for drought-related drinking water emergencies for permanent solutions for households served by water systems serving less than 15 connections or households served by domestic wells or other individual water supplies.

This proposed resolution would authorize the allocation of up to \$5 million of the \$15 million appropriated by Item 3940-101-0679 to not-for-profit organizations such as Self-Help Enterprises (Self-Help) or the Rural Community Assistance Corporation (RCAC) to fund and implement interim or permanent solutions that provide safe drinking water for households that are served by domestic wells or by water systems serving fewer than 15 connections and that are experiencing an immediate, drought-related water shortage or outage. The funding is anticipated to expand and augment such not-for-profit organizations' existing grant and low-

interest loan programs, some of which are funded in part by the U.S. Department of Agriculture. Due to the eligibility and funding limitations of the existing programs, many residents and water systems serving fewer than 15 connections are not able to access sufficient funds to implement solutions to their water shortages or outages.

Envisioned projects include, but are not necessarily limited to, drilling of new wells, well rehabilitation, and consolidation into new or existing public water systems. Not-for-profit organizations that are awarded grants pursuant to this proposed resolution will be required to prioritize funds to serve disadvantaged individuals and communities, which have annual median household incomes (MHIs) that are less than 80 percent of the statewide annual MHI. Consistent with Item 3940-101-0679, however, grant recipients may also provide assistance to other communities that are experiencing an immediate, drought-related water shortage or outage and that lack alternative safe drinking water supplies.

POLICY ISSUE

Should the State Water Board:

1. Approve the allocation of up to \$5 million of the funds appropriated by Item 3940-101-0679 of Section 2.00 of the Budget Act of 2014 to augment and expand qualified not-for-profit organizations' programs or projects that will provide interim or permanent drinking water solutions for households that are served by domestic wells or by water systems serving fewer than 15 connections and that are experiencing drought-related drinking water emergencies or threatened emergencies?
2. Condition its approval in Resolved No. 1 upon the prioritization of assistance to disadvantaged communities, as defined in section 79505.5 of the Water Code?
3. Authorize the Deputy Director of the Division of Financial Assistance or his or her designee to approve or deny funding of up to \$5 million, without limitation on funding amount per program or per project, for programs and projects consistent with Resolved Nos. 1 and 2; to execute agreements and amendments thereto to disburse funds for such programs or projects; and to perform all acts and to do all things necessary and convenient to facilitate the implementation of such agreements?

FISCAL IMPACT

As of November 2, 2015, the Division of Financial Assistance has approved a total of twenty-five (25) funding requests with a total of \$4.26 million from the AB 91 emergency drinking water funding. Fourteen (14) of those projects, totaling \$2.33 million, were approved from the \$15-million allocation (Item 3940-101-0679). The Division of Financial Assistance is currently evaluating an additional \$1.65 million in emergency drinking water projects. If funding is committed for these pending projects, the remaining emergency drinking water funding balance for the \$15-million allocation will be \$11.02 million. This remaining balance will be reduced to \$6.02 million if the proposed Resolution is approved and if the approved funding is thereafter fully committed.

REGIONAL WATER BOARD/DISTRICT OFFICE IMPACT

Minor impacts. The Division of Drinking Water District Offices and Regional Boards are supportive of the funding request and will assist in coordinating with impacted communities that are potentially eligible for emergency drinking water funding.

STAFF RECOMMENDATION

Staff recommends that the State Water Board adopt the proposed Resolution.

<p>State Water Board action on this item will assist the Water Boards in reaching Goal 4 of the Strategic Plan Update: 2008-2012, to comprehensively address water quality protection and restoration, and the relationship between water supply and water quality, and describe the connections between water quality, water quantity, and climate change, throughout California's water planning processes.</p>

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2015-

APPROVAL OF UP TO \$5 MILLION OF DROUGHT-RELATED DRINKING WATER EMERGENCY FUNDING FOR INTERIM OR PERMANENT DRINKING WATER SOLUTIONS FOR HOUSEHOLDS SERVED BY DOMESTIC WELLS OR BY WATER SYSTEMS SERVING FEWER THAN 15 CONNECTIONS

WHEREAS:

1. Due to severe and persistent drought conditions in the State of California, the Governor issued a "[Proclamation of a State of Emergency](#)" on January 17, 2014, a "[Proclamation of a Continued State of Emergency](#)" on April 25, 2014; and Executive Orders [B-26-14](#), [B-28-14](#), [B-29-15](#), and [B-36-15](#);
2. Assembly Bill (AB) 91 (Stats. 2015, ch. 1) added Item 3940-101-0679 to Section 2.00 of the Budget Act of 2014 to appropriate \$15 million from the State Water Pollution Cleanup and Abatement Account (CAA) to the State Water Resources Control Board (State Water Board) to address drought-related drinking water emergencies or threatened emergencies;
3. AB 91 added Item 3940-102-0679 to Section 2.00 of the Budget Act of 2014 to appropriate an additional \$4 million from the CAA to the State Water Board to provide interim emergency drinking water to disadvantaged communities with contaminated drinking water supplies;
4. On May 19, 2015, the State Water Board adopted [Resolution 2015-0035](#), which delegated authority and approved [Funding Guidelines](#) for administering \$19 million in AB 91 emergency drinking water funding;
5. Many residents across the State of California who rely on domestic wells or water systems serving fewer than 15 connections are experiencing drought-related drinking water shortages or outages that threaten human health and safety;
6. Not-for-profit organizations such as Self-Help Enterprises and Rural Community Assistance Corporation have established programs focused on providing technical, managerial, and financial assistance to rural California communities facing drought-related water shortages or outages, including low-interest loan programs funded by the United States Department of Agriculture for constructing, refurbishing, or servicing low-income homeowners' domestic water well systems;
7. Permanent drinking water solutions for households served by domestic wells or by water systems serving fewer than 15 connections may include, but are not limited to, rehabilitation of wells and related drinking water infrastructure, drilling of new wells, and consolidation into new or existing public water systems; and
8. The proposed allocation of emergency drinking water funding is consistent with the Funding Guidelines and directly supports the human right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

DRAFT

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves the allocation of up to \$5 million of the funds appropriated by Item 3940-101-0679 of Section 2.00 of the Budget Act of 2014 to augment and expand qualified not-for-profit organizations' programs or projects that will provide interim or permanent drinking water solutions for households that are served by domestic wells or by water systems serving fewer than 15 connections and that are experiencing drought-related drinking water emergencies or threatened emergencies.
2. Conditions its approval in Resolved No. 1 upon the prioritization of assistance to disadvantaged communities, as defined in section 79505.5 of the Water Code.
3. Authorizes the Deputy Director of the Division of Financial Assistance or his or her designee to approve or deny funding of up to \$5 million, without limitation on funding amount per program or per project, for programs and projects consistent with Resolved Nos. 1 and 2; to execute agreements and amendments thereto to disburse funds for such programs or projects; and to perform all acts and to do all things necessary and convenient to facilitate the implementation of such agreements.

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 Board held on December 15, 2015.

Jeanine Townsend
Clerk to the Board