

# CITY OF WATSONVILLE

*"Opportunity through diversity; unity through cooperation"*



State Water Resources Control Board  
Attn: Jeanine Townsend, Clerk to the Board  
1001 I St., 24<sup>th</sup> Floor  
Sacramento, CA 95814



Re: Comment Letter-June 20, 2017 Board Meeting- FFY 2017 CWSRF IUP

May 5, 2017

Thank you for the opportunity to provide comments on the State Water Resources Control Board Proposition 1 Intended Use Plan (IUP).

The City of Watsonville is a State recognized disadvantaged community (DAC) based on population and median household income. The City has received critical grant funding through other programs to improve and upgrade aging infrastructure. The City intends to continue to work environmentally and promote and expand the reuse of wastewater for beneficial uses, consistent with the Clean Water Program.

As specified in the IUP, the City supports the short term goal of ensuring that at least 20 percent (20%) of the 2017 Capitalization Grant is provided to eligible recipients in the form of additional subsidy (i.e., forgiveness of principal) based on the amount of Federal appropriations. **However, the City would like to recommend increasing the minimum to the allowed 30 percent (30%) cap regardless of the amount of Federal appropriations received.**

**While the City meets all other criteria to be considered for grants, this program automatically excludes larger DACs from grant eligibility.** The State Board is making an effort to make grant funds and principal forgiveness available to "small community water systems". Other grant programs don't have this grant requirement and it is hurting our community. The City is not considered a small community system based on serving approximately 66,000 residents.

The City would like to suggest the following for SWRCB consideration before finalizing the IUP and utilizing the critically needed Proposition 1 Funds:

- **All State recognized disadvantaged communities should be eligible for grant funding based on median household income (less than 80% State MHI).** This recommendation is not unprecedented; other agencies that are administering Proposition 1 grant funds, such as the Department of Water Resources, allow all DACs to be eligible for grant funding. Consistency across agencies and programs is very important for water managers that must make the hard decision to expedite the implementation of expensive but critically needed projects. This

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method has been effective in distributing funds to communities that need the resources and should not be completely discarded to determine grant eligibility. **The City recommends an allowance of 50% principal forgiveness for all eligible DACs.**

Again, thank you for this opportunity to provide comments. If you need have any questions please contact, Jackie McCloud, Senior Utilities Engineer at (831) 768-3172.

A handwritten signature in black ink, appearing to read 'SP', with a long horizontal flourish extending to the right.

Steve Palmisano  
Director of Public Works & Utilities  
City of Watsonville