

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
SEPTEMBER 16, 2008**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION ADOPTING THE CLEAN BEACHES INITIATIVE (CBI) GRANT PROGRAM GUIDELINES (GUIDELINES)

DISCUSSION

On November 7, 2006, voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Pub. Resources Code, § 75001 et seq.) (Proposition 84) authorizing the issuance of bonds to fund a variety of water quality improvement projects. Proposition 84 authorized \$90 million with the purpose of matching grants for protecting beaches and coastal waters from pollution and toxic contamination pursuant to the Clean Beaches Program. Of this amount, \$37 million is for the CBI Grant Program, \$35 million is for Areas of Special Biological Significance, and \$18 million is for Santa Monica Bay Restoration. Additional funds for CBI grants will also be available from Proposition 13 (Wat. Code, § 79000 et seq.), Proposition 40 (Pub. Resources Code, § 5096.600 et seq.), and Proposition 50 (Wat. Code, § 79500). The Guidelines establish the process and criteria that the State Water Resources Control Board (State Water Board), Division of Financial Assistance (Division) will use to solicit applications, evaluate proposals, and award grants for the CBI Grant Program. These Guidelines include the information and documentation applicants will be required to submit when applying for grant funding.

Division staff has engaged stakeholders in the development of these Guidelines through several venues. Staff conducted initial scoping meetings with the Clean Beaches Task Force (CBTF) on the development of the Guidelines. In addition, the [draft Guidelines](#) were sent to Lyris list subscribers, and were posted on the State Water Board website for public review and feedback. The Guidelines contain an overview of the grant process, eligibility requirements, program priorities, proposal solicitation, review and selection process, general requirements, evaluation criteria, and the information that will be required for submittal.

The enacting legislation for Propositions 50 and 84 specify that the CBI Program grant funds be implemented according to the requirements of Propositions 13 and 40, respectively. Proposition 13 allows for projects that provide comprehensive capability for monitoring, collecting, and analyzing ambient water quality, including monitoring technology that can be entered into a statewide information database. (Wat. Code, § 79148.8, subd. (a)(2).) As a result, the available Proposition 13 and 50 funds will be dedicated to funding eligible statewide research projects that address the identified CBTF research priorities.

The Guidelines propose a two-step proposal solicitation process. Applicants will submit Concept Proposals (CPs) through the State Water Board on-line Financial Assistance Application Submittal Tool. There will be two CPs applications, one for implementation projects, and one for research projects. The solicitation will be closed quarterly. The solicitation will be re-opened after the CPs are processed to start the next funding cycle. This process will continue until the funds are exhausted. The CBTF will review the implementation and research CPs separately and recommend the proposals to be invited to submit a detailed application.

The applicants invited to submit detailed applications will be assigned a Division staff person to assist them in the detailed application process. Division staff, in consultation with the CBTF, will determine when a detailed application is complete. Division staff will present the proposed projects to the State Water Board at regularly scheduled meetings to obtain a preliminary funding commitment.

Proposition 84 states, "Up to 10 percent of funds allocated for each program funded by this division may be used to finance planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program." (Pub. Resources Code, § 75072.) Division staff proposes to utilize a portion of the Clean Beaches Program funds allocated to CBI Program to establish a Source Identification (ID) Pilot Program to conduct source identification studies at beaches that have persistent water quality impairment, as evidenced by bacteria exceedances. Division staff proposes to reserve up to \$5 million of the \$9 million available for monitoring under the Clean Beaches Program for the Source ID Pilot Program. The selected grantee would conduct source identification studies in the watersheds of the identified beaches.

In addition, the Guidelines propose a provision that authorizes the State Water Board's Deputy Director of the Division to utilize funds from projects that are withdrawn or completed under budget, to fund additional projects recommended by the CBTF or augment the scope of work and budget of projects previously awarded.

POLICY ISSUES

Should the State Water Board:

1. Adopt the CBI Grant Program Guidelines?
2. Authorize the Deputy Director of the Division to fund up to \$5 million in regional project effectiveness monitoring, to develop and implement a statewide Source ID Pilot Program?
3. Authorize the Deputy Director of the Division to utilize funds from projects, which are withdrawn or completed under budget, to fund additional projects recommended by the CBTF, or augment the scope of work and budget of projects previously awarded?

FISCAL IMPACT

Proposition 84 authorized \$90 million with the purpose of matching grants for protecting beaches and coastal waters from pollution and toxic contamination pursuant to the Clean Beaches Program. Of this amount, \$37 million is for the CBI Grant Program. The Fiscal Year 2007-2008 and the Governor's proposed Fiscal Year 2008-2009 Budgets contain appropriations to fund Proposition 84 CBI Grant Program projects. Funds are also available from Propositions 13, 40 and 50 from projects that withdrew or were completed under budget. Staff costs will be funded by a five-percent administrative set-aside allowed by Proposition 84.

REGIONAL WATER QUALITY CONTROL BOARDS IMPACT

Yes, Coastal Regional Water Boards.

STAFF RECOMMENDATION

That the State Water Board:

1. Adopt of the CBI Grant Program Guidelines;
2. Authorize the Deputy Director of the Division to fund up to \$5 million in regional project effectiveness monitoring, to develop and implement a statewide Source ID Pilot Program; and
3. Authorize the Deputy Director of the Division to utilize funds from projects, which are withdrawn or completed under budget, to fund additional projects recommended by the CBTF, or augment the scope of and budget of projects previously awarded.

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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2008-

ADOPTION OF THE CLEAN BEACH INITIATIVE (CBI) GRANT PROGRAM GUIDELINES (GUIDELINES)

WHEREAS:

1. The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84) authorizes \$90 million with the purpose of matching grants for protecting beaches and coastal waters from pollution and toxic contamination pursuant to the Clean Beaches Program. Of this amount, \$37 million is for the CBI Grant Program;
2. Additional funds are also available from Propositions 13, 40 and 50 from projects that withdrew or were completed under budget;
3. The Division of Financial Assistance (Division) staff held scoping meetings with the Clean Beaches Task Force (CBTF), distributed the draft Guidelines through the State Water Board's Lyris list, and posted the Guidelines on the State Water Board website for public review and feedback. Comments received have been taken into consideration in the final Guidelines;
4. The Guidelines establish the CBI Grant Program criteria, and the review and selection process for obtaining CBI grant funds;
5. Proposition 84 authorizes up to 10 percent of funds allocated for each program may be used to finance planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program.
6. Division staff proposes to utilize a portion of the CBI funds to establish a Source Identification (ID) Pilot Program to conduct source identification studies; and
7. Up to five percent of the funds appropriated under Proposition 84 is available to the State Water Board for administrative costs.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Adopts the CBI Grant Program Guidelines;
2. Authorizes the Deputy Director of the Division to fund up to \$5 million in regional project effectiveness monitoring, to develop and implement a statewide Source ID Pilot Program; and

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3. Authorizes the Deputy Director of the Division to utilize funds from projects, which are withdrawn or completed under budget, to fund additional projects recommended by the CBTF, or augment the scope of and budget of projects previously awarded.

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 September 16, 2008.

Jeanine Townsend
Clerk to the Board