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March 8, 2024

Chairman E. Joaquin Esquivel  
State Water Resources Control Board  
1001 I Street, 24th Floor  
Sacramento, CA 95814

**RE: Comment Letter – Proposed Action to Amend the IUP to Decrease WRF Grant Maximums**

Dear Chairman Esquivel:

On behalf of WaterReuse California (WRCA), we are pleased to submit comments on the proposed plan to amend the State Fiscal Year 2023-24 Clean Water State Revolving Fund (CWSRF) Intended Use Plan (IUP), which provides the Deputy Director of the Division of Financial Assistance (DFA) with discretion to reduce the maximum grant amount for water recycling construction projects. WRCA represents 220 public agencies, consulting firms, and companies dedicated to expanding the use of recycled water in California.

The Governor's proposed budget reverts \$174.4 million from water recycling back to the General Fund and delays \$100 million more. We understand that the budget situation is complex, but we think it is critical to leave an avenue open for funding to be restored to recycled water projects should funds be restored in the budget.

**WRCA proposes the following amendments to the proposed action and has provided language below:**

- 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, *for the 2023-24 IUP.*
- *For projects that remain on the fundable list and were once awarded the maximum grant amount, the minimum grant amount shall be \$5 million.*
- The maximum Planning Grant amount within Appendix F would remain at \$500,000.

- Should additional water recycling grant funds become available, DFA staff will propose appropriate changes to the maximum grant amount as part of the State Water Board's annual adoption of the CWSRF IUP.
- *Any project that was on the February 1, 2024 Fundable List that had funding reduced or eliminated by this action is eligible for priority restoration of funds back to the original award should funds be made available in the 2024-25 or 2025-26 state budget.*

WRCA looks forward to working with the State Board and specifically, DFA on increasing available California CWSRF and WRF funding to meet the unprecedented demand and need for future funding for recycled water projects. This should be the highest priority for the State Board and DFA. Additionally, we look forward to continuing to work through the operational issues identified by the SRF Program Review through the SRF Advisory Group.

For questions or additional information, please contact me at [rcortes@watereuse.org](mailto:rcortes@watereuse.org).

Sincerely,



Rosario Cortés  
Interim Managing Director  
WateReuse California

cc: Board Members, State Water Resources Control Board  
Joe Karkoski, Deputy Director, DFA  
Christopher Stevens, Assistant Deputy Director, Division of Financial Assistance and  
Mike Downey, P.E., Supervising Engineer, Division of Financial Assistance  
Sunny Kals, P.E., Senior Engineer and Water Recycling Funding Program Manager, DFA