



OFFICE OF THE GOVERNOR

SEP 28 2018

To the Members of the California State Assembly:

I am returning Assembly Bill 2060 without my signature.

This bill would require the State Water Resources Control Board to provide advance payment of grant awards to a nonprofit organization or disadvantaged community grantee, upon request, if the grantee demonstrates a need and if other specified criteria are met. These provisions would apply to wastewater and drinking water projects.

I appreciate the author's intent to help nonprofit organizations and disadvantaged communities meet cash-flow needs when managing projects. In recent years, however, the State Water Board has established other means for grantees or address cash-flow problems. For example, the State Water Board facilitates payment of invoices, including paying additional fees to the State Controller for expedited processing. Additionally, when a grantee obtains a bridge loan to access funds before completion of a project, the State Water Board will reimburse the grantee for interest costs.

As such, the additional financial risks and administrative costs associated with advanced payments, as proposed in AB 2060, are unwarranted.

Sincerely,



Edmund G. Brown, Jr.