

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2010-0060**

ADOPTION OF A STATEMENT OF OVERRIDING CONSIDERATIONS (SOC) AND A CLEAN WATER STATE REVOLVING FUND (CWSRF) PROGRAM PRELIMINARY FUNDING COMMITMENT (PFC) FOR THE SUNNYSLOPE COUNTY WATER DISTRICT (DISTRICT), RIDGEMARK WASTEWATER TREATMENT AND RECYCLED WATER IMPROVEMENTS PROJECT (PROJECT), CWSRF PROJECT NO. C-06-5160-110

WHEREAS:

1. The State Water Resources Control Board (State Water Board) adopted the "*Policy for Implementing the CWSRF for Construction of Wastewater Treatment Facilities*" (Policy) and amended it on March 17, 2009;
2. The State Water Board, on June 15, 2010, adopted the State Fiscal Year 2010/2011 CWSRF Program Project Priority List, which included the District's Project in Priority Class C;
3. The Division of Financial Assistance (Division) approved the Facility Plan for the District's Project on November 9, 2010, and the District agreed with the Facility Plan Approval on November 9, 2010;
4. An independent credit review was completed on July 26, 2010, recommending a maximum CWSRF financing amount of \$11.4 million for the Project, assuming a 20-year term at a 2.70 percent interest rate;
5. The District has adopted Resolution No. 505 dedicating sewer net revenue for repayment of the CWSRF financing agreement;
6. The District prepared an Environmental Impact Report (EIR) that includes the Project, distributed it to the public, and circulated through the State Clearinghouse (SCH No. 2008071031);
7. The District certified the EIR and adopted a Statement of Overriding Considerations (SOC) and a Mitigation Monitoring and Reporting Program and approved the Project on July 16, 2009;
8. The District filed a Notice of Determination with the San Benito County Clerk on July 16, 2009, and with the Governor's Office of Planning and Research on July 20, 2009;
9. The State Water Board finds that significant unavoidable adverse effects resulting from the Project due to growth may occur;
10. The State Water Board finds that the following specific economic, social, technological, and environmental benefits of the Project outweigh the significant unavoidable adverse environmental impacts from secondary growth:
  - a. The Project will allow the District to comply with the Central Coast Regional Water Quality Control Board Waste Discharge Requirements for the Ridgemark Facility, thereby improving long-term groundwater quality, and
  - b. The Project will upgrade the wastewater facilities with adequate capacity to serve the projected and planned growth through 2025;
11. Special conditions will be incorporated into Exhibit D of the District's CWSRF financing agreement to ensure compliance with the Migratory Bird Treaty Act and the federal Endangered Species Act; and

12. The State Water Board finds that the Project will not result in any significant adverse water quality impacts.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves a CWSRF financing agreement amount of \$11.4 million for the proposed Project, including a 20-year repayment period, with the first repayment due one year after completion of construction;
2. Adopts an SOC for the CWSRF Program for the District's Project;
3. Conditions this approval by withdrawing the CWSRF PFC if the District does not sign the agreement by March 31, 2010. In accordance with Section IX (K) of the Policy, Division staff have the discretion to approve up to a 120-day extension of the PFC expiration date(s) for good cause; and
4. Conditions this approval, as determined by the District's credit review, with the following:
  - a. The financing agreement shall be secured on parity with the District's outstanding 2002 Water/Wastewater Revenue Bonds,
  - b. The District shall establish a Reserve Fund equal to one year's debt service from available cash prior to the construction completion date,
  - c. The District shall covenant to establish rates and charges in amounts sufficient to generate net revenues equal to at least 1.20 times the total annual debt service,
  - d. The District may not incur future senior debt,
  - e. The District may incur parity debt only if it meets Section X.G of the CWSRF Policy, and
  - f. The financing agreement shall be limited to an amount of \$11.4 million with a 20-year term, unless the information supporting the credit review changes and a supplemental credit review is performed.

#### 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 14, 2010.

AYE: Chairman Charles R. Hoppin  
Vice Chair Frances Spivy-Weber  
Board Member Arthur G. Baggett, Jr.  
Board Member Tam M. Doduc  
Board Member Dwight P. Russell

NAY: None

ABSENT: None

ABSTAIN: None

  
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Jeanine Townsend  
Clerk to the Board