

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2013-0021**

ADD THE SANTA MARGARITA WATER DISTRICT (DISTRICT) MIDDLE CHIQUITA RECYCLED WATER FACILITIES PROJECT (PROJECT) TO THE WATER RECYCLING FUNDING PROGRAM (WRFP) COMPETITIVE PROJECT LIST AND TO AUTHORIZE THE WRFP TO APPROVE A PRELIMINARY FUNDING COMMITMENT (PFC);
WRFP PROJECT NO. 3925-030

WHEREAS:

1. The State Water Resources Control Board (State Water Board) adopted the "*Water Recycling Funding Program Guidelines*" (Guidelines) and amended them on July 15, 2008;
2. The Project is a Category I project according to the Guidelines, but is not included on the WRFP CPL, adopted January 20, 2005;
3. An independent credit review was completed on May 28, 2013;
4. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) was approved by the voters on November 5, 2002 (Water Code, Division 26.5, Sections 79500 et seq.). Section 79550(g) in Chapter 7 of Proposition 50 allocates funding for urban and agricultural water conservation, recycling, and other water use efficiency projects;
5. The Project is a routine and non-controversial project that is consistent with the policies, regulations, and agreements the State Water Board adopted for implementation of the WRFP;
6. The District is the lead agency under CEQA, and has complied with CEQA and CEQA Guidelines. The District prepared an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) [State Clearinghouse (SCH) No. 2006061140] and circulated the EIR/EIS through the SCH and the public for review and comments;
7. The District certified the EIR/EIS, adopted a Mitigation and Monitoring Reporting Program (MMRP), and approved the Project on October 25, 2006. The County filed a Notice of Determination (NOD) with the Orange County Clerk on October 25, 2006;
8. The District certified the EIR/EIS, adopted an MMRP and approved the EIR/EIS on November 2, 2006;
9. The District prepared an Addendum based on County's EIR/EIS to specifically describe the Project;
10. The District approved the Addendum on July 27, 2011 and filed a NOD with the Orange County Clerk on August 2, 2011 and with the Governor's Office of Planning and Research (OPR) on June 13, 2013 for the subsequent addendum;
11. Adequate public participation was provided through the CEQA review process;
12. Mitigation measures and design measures incorporated into the Project will avoid or substantially reduce other potentially significant environmental impacts;
13. The District's environmental documents provided an adequate disclosure of the environmental relationships of all water quality aspects of the Project. The Project will not result in any significant adverse water quality impacts.

14. The District submitted an Urban Water Management Plan to the Department of Water Resources (DWR) in accordance with Section 10644 of the Water Code. The District meets the definition of an Urban Water Supplier as defined in Section 10617 of the Water Code;
15. Water Code Section 10631.5 requires the DWR to determine if an urban water supplier is implementing water-demand management measures described in Section 10631 of the Water Code. The District submitted the required documentation to DWR on November 14, 2012, and requested that DWR make an eligibility determination. On November 26, 2012, DWR determined the District to be in compliance, and therefore eligible to receive water management grant funds; and
16. As of January 1, 2010, Water Code section 529.5 requires an urban water supplier that applies for financial assistance from the state for a wastewater treatment project, drinking water treatment project, or water use efficiency project, or a permit for a new or expanded water supply, to demonstrate that the applicant meets the water metering requirements of Division 1, Chapter 8, Article 3.5 of the Water Code. On October 22, 2012, the District certified that it is an urban water supplier, as that term is understood pursuant to the provisions of Section 529.5 of the Water Code and that it complied with Division 1, Chapter 8, Article 3.5 of the Water Code.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Adds the Project to the WRFP CPL;
2. Approves a \$1,897,213 WRFP PFC for the proposed Project; and
3. In accordance with Section III.F of the WRFP Guidelines, conditions this approval by withdrawing the WRFP PFC if the District does not sign the grant agreement by February 6, 2014. Division staff has the discretion to approve up to a 90-day extension for good cause.

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 August 6, 2013.

AYE: Vice Chair Frances Spivy-Weber
Board Member Tam M. Doduc
Board Member Steven Moore
Board Member Dorene D'Adamo

NAY: None

ABSENT: Chair Felicia Marcus

ABSTAIN: None

Jeanine Townsend
Clerk to the Board