

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING - DIVISION OF FINANCIAL ASSISTANCE
JUNE 16, 2009**

ITEM 3

SUBJECT

CONSIDERATION OF A RESOLUTION ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS AND CLEAN WATER STATE REVOLVING FUND (CWSRF) PRELIMINARY FUNDING COMMITMENT (PFC) FOR THE CITY OF HUGHSON (CITY), WASTEWATER TREATMENT PLANT (WWTP) UPGRADE AND EXPANSION (PROJECT), CWSRF PROJECT NO. 5139-110

DISCUSSION

In accordance with the State Water Resources Control Board (State Water Board) *Policy for Implementing the Clean Water State Revolving Fund for Construction of Wastewater Treatment Facilities* (Policy), amended on March 17, 2009, projects on the adopted Project Priority List (CWSRF Priority List) need State Water Board approval to receive SRF funding. The State Water Board may approve a CWSRF PFC after issuance of a Project Facilities Plan Approval (FPA). On May 8, 2009, the Assistant Deputy Director of the Division of Financial Assistance (Division) issued the FPA for the City's Project. The City agreed to the FPA on May 13, 2009. Division staff found that the City's Project is (1) consistent with the policies, regulations, and agreements the State Water Board has adopted governing the internal management of the CWSRF program, and (2) is on the CWSRF Priority List adopted by the State Water Board. The State Water Board, on September 2, 2008, adopted the State Fiscal Year 2008/2009 CWSRF Program Priority List, which included the City's Project.

PROJECT INFORMATION

The City's WWTP is located approximately two miles north of the City, at the intersection of Charles Street and Leedom Road, adjacent to the Tuolumne River in Stanislaus County. The City is within the jurisdiction of the Central Valley Regional Water Quality Control Board (Central Valley Water Board).

The WWTP treats municipal and industrial wastewater, and discharges to evaporation and percolation ponds. The WWTP has an average flow of approximately 0.83 million gallons per day (MGD) and a current capacity of 1.0 MGD. The WWTP operates under Waste Discharge Requirements (WDR) Order No. 5-00-024, issued by the Central Valley Water Board. The City received a Notice of Violation (NOV) from the Central Valley Water Board on July 29, 2003, for exceeding the effluent contaminant limitations for total dissolved solids, electrical conductivity, total coliform organisms, and nitrate as nitrogen. Additionally, the NOV listed violations of acceptable sludge management practices and degradation of groundwater for total coliform, nitrate, salts, and chloroform.

The proposed Project involves expanding and upgrading the WWTP to increase capacity and efficiency, and to address the NOV. The Project site encompasses the existing WWTP and the 30-acres of property immediately west of the WWTP. This Project is part of the City's WWTP Master Plan Report (Master Plan), which identifies facilities needed to treat and dispose of wastewater for a 20-year period from the years 2006 through 2026. The proposed Project will increase WWTP capacity from 1.0 MGD to 1.9 MGD and correct the problems addressed in the NOV.

ENVIRONMENTAL REVIEW

The City prepared a draft Environmental Impact Report (EIR) for the proposed Project. The draft EIR was distributed to the public and circulated through the State Clearinghouse (SCH No. 2006122032) for review from June 11, 2007, through July 25, 2007. The City received the following comments:

- State Water Board noted the significant and unavoidable Project impacts to the areas of noise and agricultural resources and requested that the City adopt a Statement of Overriding Considerations (SOC) to substantiate the City's decision to approve the Project despite these significant unavoidable impacts.
- The Central Valley Water Board requested disclosure of seepage problems, information on the techniques that will be used to fix current conditions, and a full analysis on how the Project will ensure compliance with the revised WDRs. They also stated that Impact 3.9.4 did not address potential groundwater impacts resulting from increased effluent discharge, and requested that groundwater data be included in the EIR.
- California Department of Transportation stated that they had no comments on the EIR.
- Native American Heritage Commission submitted a comment recommending the City conduct a Record Search, Sacred Lands File Check and archaeological survey, and to contact Native Americans from the contact list.
- California Department of Water Resources submitted a comment regarding potential encroachment into floodways.
- Office of Fire Warden, Fire Prevention Bureau of Stanislaus County submitted a comment regarding a need for buildings/ structures to be equipped with approved automatic fire extinguishing systems, meet water supply and access requirements, and comply with applicable laws, codes, ordinances and standards.
- Chief Executive Office, Stanislaus County Environmental Review Committee submitted a comment regarding zoning designation changes and requirements for grading permits, water supply and access. They stated that the property located at 6049 Leedom Road was on a known contaminated site with total dissolved solids (TDS) as the primary contaminant of concern.
- Turlock Irrigation District questioned whether the City evaluated the effects of increased percolation on discharged groundwater, percolation effects on water quality, and the retirement method for percolation ponds seven through ten. They stated that the EIR lacked a discussion on water supply from the proposed Regional Surface Water Supply Project and future use of pond four.
- San Joaquin Valley Air Pollution Control District noticed incorrect values for air quality standards and recommended that the City correct Tables 3.4-1 and 3.4-3 to reflect current federal particulate matter and state nitrogen dioxide values, and to include fugitive emission sources in Table 3.4-5. They requested that the EIR include a discussion on all potential Hazardous Air Pollutants, and to quantify and prioritize all emission sources.

The City responded to all comments and included them in the final EIR, and made the applicable revisions. The City certified the final EIR, adopted a Mitigation Monitoring Plan (MMP) and Statements of Overriding Consideration (SOC), and approved the Project on September 24, 2007. The City filed a Notice of Determination (NOD) with the Stanislaus County Clerk and the Governor's Office of Planning and Research (OPR) before adopting the environmental documents and approving the Project; however, the statute of limitations expired and no issues were raised.

The City adopted an SOC to substantiate its decision to approve the Project despite significant unavoidable impacts in the areas of 1) agricultural resources (loss of prime farmland and violation of Williamson Act Land Conservation Contract), 2) noise (temporary exceedances of City thresholds for construction-related noise), 3) air quality (cumulative impacts resulting from concurrent implementation of the Project with the City's General Plan), and 4) growth inducement (removes barriers to growth that can result in significant and unavoidable aesthetic, agricultural resource and air quality impacts). In the SOC, the City found that the benefits of the Project outweigh the significant and unavoidable effects. The City will incorporate mitigation measures to lessen and reduce agricultural and air quality impacts to the extent feasible; however, these potential impacts may not be fully mitigated and are expected to remain significant and unavoidable.

State Water Board staff finds that the following specific economic, social, technological, and environmental benefits of the Project outweigh the unavoidable adverse environmental impacts on agriculture, noise, air quality, and the growth inducements:

- The Project is necessary to address the water quality violations identified by the Central Valley Water Board and to meet the revised WDRs;
- The Project will ensure adequate wastewater treatment that will accommodate existing and future growth and provide for the projected increase in wastewater treatment capacity; and,
- The Project will implement the City's General Plan. The General Plan was adopted following a comprehensive review and public participation process, which included input from all segments of the community. The General Plan represents the community's fundamental policies and aspirations for the future course of development in the City.

State Water Board staff reviewed and considered the EIR and applicable environmental documents and determined that the Project will not result in any significant adverse water quality impacts.

The State Water Board's Cultural Resources Officer (CRO) sent a request for concurrence on Section 106 compliance based on a finding of "no historic properties affected" to the State Historic Preservation Officer (SHPO) on April 7, 2008. The SHPO concurred with the CRO's finding on April 21, 2008. There are no special Section 106 based conditions for this Project.

State Water Board staff sent a request for Endangered Species Act Section 7 concurrence on a finding of "not likely to adversely affect" the Valley elderberry longhorn beetle (*Desmocerus californicus dimorphus*) to the U.S. Fish and Wildlife Service (USFWS) on May 28, 2008. Staff also determined that the Project will not affect four special-status plant species (beaked clarkia, San Joaquin Valley orcutt grass, Colusa grass and Greene's tuctoria), Central Valley steelhead, Central Valley spring-run Chinook salmon and Central Valley fall/late fall-run Chinook salmon because the Project does not contain suitable habitat, even though these species might be in the vicinity of the Project. State Water Board staff noted in its letter that a field survey conducted in January 2007 revealed no special-status species on the Project site. However, elderberry shrubs, which are potential habitat for the Valley elderberry longhorn beetle (VELB), were present along the northern parcel boundaries and near the access road north of percolation pond five. A cursory inspection of the shrubs revealed no VELB exit holes. The USFWS responded to State Water Board staff's request in a July 8, 2008, letter, and stated that it did not concur with State Water Board staff's finding and requested additional information, including maps or photographs depicting the number of elderberry shrubs in relation to the Project, information on the presence of VELB exit holes and any proposed compensation. On August 5, 2008, a field survey for elderberry shrubs with stems greater than one inch in diameter was conducted on the entire Project site. The field survey resulted in a total of 44 elderberry shrubs (with 347 stems greater than one inch in diameter) that were located on the northern parcel, north of the Project site. No VELB exit holes were observed during the field survey.

The distance from the Project site to the nearest elderberry shrub is 465 feet, which is outside the required 100-foot buffer area for VELB according to the *USFWS's Conservation Guidelines for the Valley Elderberry Longhorn Beetle*. The Project will not encroach within any potential VELB habitat, and thus, will have no effect to VELB. Based on this information and the August 22, 2008, confirmation letter from the City, State Water Board staff has determined that the Project will have no effect to any federal special-status species and sent a letter to USFWS on August 25, 2008, to reflect this information. USFWS concurrence is no longer required based on the "no effect" finding.

On June 3, 2008, State Water Board staff distributed the EIR to other federally designated agencies: the U.S. Environmental Protection Agency (U.S. EPA); the U.S. Army Corps of Engineers; the U.S. Department of Agriculture, Natural Resources Conservation Service; and the Federal Emergency Management Agency. The federal review period concluded on July 24, 2008, and no comments were received. In addition, State Water Board staff compared the City's information to published air quality standards to determine whether a conformity determination is required. No conformity determination is necessary. Therefore, staff submitted its analysis to U.S. EPA for review and comment. No comments were received from U.S. EPA on staff's analysis of air quality impacts. State Water Board staff determined that federal consultation was sufficient and that no further consultation with federal agencies is required.

State Water Board staff will file an NOD with the OPR following funding approval.

APPLICANT'S FINANCES

An independent credit review analyzed the City's ability to enter a CWSRF financing agreement for the amount requested. The credit review provided recommendations regarding the financial agreement terms, maximum CWSRF financing amount, financial capacity, and Annual Reserve Fund requirements for the financing agreement.

The City's estimated 2007 median household income (MHI) is \$52,805 approximately 94.6 percent of the State of California MHI. The City's population is 6,187; therefore, it does not qualify as a small, disadvantaged community.

The City must adopt a new rate schedule in accordance with Proposition 218 prior to executing the financing agreement. The City plans to hold a Proposition 218 hearing on September 14, 2009, to raise its sewer rates \$41.98 to \$95.34 by July 2012. The City projects that in 2011/12, the first fiscal year in which debt service will be paid, that wastewater rates will be \$92.57 with 75 new connections to be added prior to 2011/12.

A \$23.1 million financing agreement for a 20-year term at one percent interest rate will require an annual debt service payment of \$1,280,094. Projected revenues will provide at least 1.10 times debt service coverage.

The City currently has one outstanding debt obligation in the amount of \$6.75 millions supported by the Wastewater System Revenues. The credit reviewer recommended that the CWSRF agreement be on parity with this agreement.

It is recommended that the City fund a reserve fund of one year's debt service from available cash in the Wastewater Systems Revenue prior to completion of construction date.

It is also recommended that the financing agreement be limited to a maximum of \$23.1 million unless information supporting the credit review changes and a supplemental credit review is performed.

CWSRF FISCAL IMPACT

(as of 03/17/2009)

	SFY 2008-09	SFY 2009-10	SFY 2010-11	SFY 2011-12	SFY 2012-13
Beginning Balance:	\$307,959,193	\$395,645,301	\$202,745,193	\$214,354,884	\$351,746,641
Estimated Repayments	\$201,869,901	\$219,804,594	\$229,804,594	\$239,804,594	\$249,804,594
Debt Service on Revenue Bonds	(\$31,893,104)	(\$31,758,441)	(\$31,456,429)	(\$30,228,204)	(\$27,714,204)
Estimated Capitalization Grants	\$46,965,399	\$18,877,833	\$0	\$0	\$0
ARRA Grant	\$269,073,921				
State G.O. Bond proceeds (less state admin. match)	\$13,414,123	\$0	\$0	\$0	\$0
Local Match Credits	\$23,594,547	\$3,923,358	\$916,685	\$916,685	\$833,350
Est. SMIF Interest:	\$10,674,552	\$10,000,000	\$10,000,000	\$8,000,000	\$2,000,000
<u>Estimated Disbursements</u>	<u>(\$428,089,482)</u>	<u>(\$272,392,705)</u>	<u>(\$146,163,800)</u>	<u>(\$52,860,956)</u>	<u>(\$11,500,000)</u>
Subtotal	\$413,569,051	\$344,099,940	\$265,846,243	\$379,987,003	\$565,170,381

East Bay Municipal Utility District (Rare Water), #5020-110 (02/25/2009)		(\$35,226,616)			
Eastern Municipal Water District, #5100-110 (01/14/2009)	(\$4,222,750)	(\$22,029,249)	(\$19,601,363)	(\$10,240,362)	
City of Hughson, #5139-110 (03/17/2009)	(\$3,000,000)	(\$20,000,000)			
City of Kerman, #5150-110 (02/04/2009)	(\$4,125,000)	(\$4,125,000)			
Beaumont-Cherry Valley WD, #5157-110 (02/25/2009)		(\$15,000,000)	(\$2,500,000)		
Inland Empire Utilities Agency, #5176-110 (02/10/2009)	(\$5,676,000)	(\$17,013,999)	(\$11,000,001)		
Delta Diablo Sanitation District, #5177-110 (02/25/2009)		(\$9,359,883)	(\$389,995)		
Eastern Municipal Water District (Moreno Valley), #5311-110 (03/17/2009)		(\$18,000,000)	(\$18,000,000)	(\$18,000,000)	
Inland Empire Utilities Agency (Victoria & San Sevaine), #5332-110 (03/17/2009)	(\$900,000)	(\$600,000)			

	\$395,645,301	\$202,745,193	\$214,354,884	\$351,746,641	\$565,170,381
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REGIONAL BOARD IMPACT

The City's WWTP operates under WDR Order No. 5-00-024, issued by the Central Valley Water Board. This Project will address violations identified in the July 29, 2003, NOV issued by the Central Valley Water Board.

POLICY ISSUE

Should the State Water Board:

1. Adopt a Statement of Overriding Considerations regarding the City's WWTP Project?
2. Condition the financing agreement, as determined by the City's credit review, with the following items:
 - a. The financing agreement shall be secured on parity with the City's existing wastewater debt.

- b. The City shall fund a reserve fund of one year's debt service from available cash in the Wastewater Systems Revenue prior to completion of construction date.
 - c. The financing agreement shall be limited to a maximum of \$23.1 million unless information supporting the credit review changes and a supplemental credit review is performed.
- 3. Approve a \$23.1 million CWSRF PFC for the proposed Project, including a 20-year repayment period, with the first repayment due one year after completion of construction?
- 4. Condition this approval by withdrawing the CWSRF PFC if the City does not sign the CWSRF Agreement by September 1, 2009, in accordance with Section IX (J) of the Policy? Authorize Division staff the discretion to approve up to a 90-day extension for good cause?
- 5. Condition this approval such that a financing agreement may be executed, but funds for construction will not be disbursed until the rates subject to Proposition 218 are approved?
- 6. Condition the financing agreement to require the City to implement a public education program for two years following the adoption of the new sewer rate schedule if five percent or more of the ratepayers protest during the Proposition 218 process?
- 7. Condition this approval such that the City must meet the following deadlines to receive ARRA funds or 0 percent financing :
 - a. A financing agreement must be executed or be executable by September 1, 2009.
 - b. The Division must receive a completed Approval of Award (AOA) request before October 1, 2009.
 - c. The Division must receive a copy of an executed construction contract before October 16, 2009.
- 8. Condition this approval such that the City must comply with any additional conditions required by the American Recovery Reinvestment Act of 2009 (ARRA) including, but not limited to the following in order to receive a one percent financing agreement:
 - a. Section 1606 - Davis-Bacon Act wage rules
 - b. Section 1605 – Buy American requirements
 - c. Section 1512 – Reporting
- 9. Condition this approval such that this PFC will be withdrawn if the City fails to comply with the time restrictions and special conditions of ARRA? The City may still be eligible for CWSRF funding, at the standard financing rate at the time of this PFC, if CWSRF funding is available.
- 10. Condition this approval such that the City must adopt a reimbursement resolution no later than 60 days after start of construction, and sign a tax certificate before executing a CWSRF agreement?

STAFF RECOMMENDATION

The State Water Board should:

- 1. Adopt a Statement of Overriding Considerations regarding the City's WWTP Project;
- 2. Condition the financing agreement, as determined by the City's credit review, with the following items:
 - a. The financing agreement shall be secured on parity with the City's existing wastewater debt.

- b. The City shall fund a reserve fund of one year's debt service from available cash in the Wastewater Systems Revenue prior to completion of construction date.
 - c. The financing agreement shall be limited to a maximum of \$23.1 million unless information supporting the credit review changes and a supplemental credit review is performed.
3. Approve a \$23.1 million CWSRF PFC for the proposed Project, including a 20-year repayment period, with the first repayment due one year after completion of construction;
 4. Condition this approval by withdrawing the CWSRF PFC if the City does not sign the CWSRF agreement by September 1, 2009, in accordance with Section IX (J) of the Policy. Authorize Division staff the discretion to approve up to a 90-day extension for good cause;
 5. Condition this approval such that a financing agreement may be executed, but funds for construction will not be disbursed until the rates subject to Proposition 218 are approved;
 6. Condition the financing agreement to require the City to implement a public education program for two years following the adoption of the new sewer rate schedule if five percent or more of the ratepayers protest during the Proposition 218 process;
 7. Condition this approval such that the City must meet the following deadlines to receive ARRA funds or 0 percent financing:
 - a. A financing agreement must be executed or be executable by September 1, 2009.
 - b. The Division must receive a completed AOA request before October 1, 2009.
 - c. The Division must receive a copy of an executed construction contract before October 16, 2009.
 8. Condition this approval such that the City must comply with any additional conditions required by ARRA including, but not limited to the following in order to receive a one percent financing agreement:
 - a. Section 1606 - Davis-Bacon Act wage rules
 - b. Section 1605 – Buy American requirements
 - c. Section 1512 - Reporting
 9. Condition this approval such that this PFC will be withdrawn if the City fails to comply with the time restrictions and special conditions of ARRA. The City may still be eligible for CWSRF funding, at the standard financing rate at the time of this PFC, if CWSRF funding is available; and
 10. Condition this approval such that the City must adopt a reimbursement no later than 60 days after start of construction, and sign a tax certificate before executing a CWSRF agreement.

State Water Board action on this item will assist the Water Boards in reaching Goal 1 of the Strategic Plan Update: 2008-2012 to implement strategies to fully support the beneficial uses for all 2006-listed water bodies by 2030.

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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2009-

ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS AND CLEAN WATER STATE REVOLVING FUND (CWSRF) PRELIMINARY FUNDING COMMITMENT (PFC) FOR THE CITY OF HUGHSON (CITY), WASTEWATER TREATMENT PLANT (WWTP) UPGRADE AND EXPANSION (PROJECT), CWSRF PROJECT NO. 5139-110

WHEREAS:

1. The State Water Resources Control Board (State Water Board) adopted the "*Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities*" (Policy) and amended it on March 17, 2008;
2. The State Water Board, in September 2008, adopted the State Fiscal Year 2008/2009 CWSRF Program Priority List which included the City's Project in Priority Class C;
3. The Division of Financial Assistance (Division) approved the Facility Plan Approval (FPA) for the City's Project on May 8, 2009, the City agreed to the FPA on May 13, 2009;
4. An independent credit review was completed on November 18, 2008, recommending a credit limit of \$23.1 million unless information supporting the credit review changes and a supplemental credit review is performed;
5. The City plans to adopt new rates at their September 14, 2009, City Council Meeting in accordance with Proposition 218;
6. The City prepared a Final Environmental Impact Report (EIR) that includes the Project;
7. The City certified the final EIR, adopted a Mitigation Monitoring Plan and Statement of Overriding Considerations, and approved the Project on September 24, 2007;
8. The City filed a Notice of Determination with the Stanislaus County Clerk and the Governor's Office of Planning and Research before adopting the environmental documents and approving the Project; however, the statute of limitations expired and no issues were raised;
9. The City adopted a Statement of Overriding Considerations to substantiate its decision to approve the Project despite significant unavoidable impacts in the areas of 1) agricultural resources (loss of prime farmland and violation of Williamson Act Land Conservation Contract), 2) noise (temporary exceedances of City thresholds for construction-related noise), 3) air quality (cumulative impacts resulting from concurrent implementation of the Project with the City's General Plan), and 4) growth inducement (removes barriers to growth that can result in significant and unavoidable aesthetic, agricultural resource and air quality impacts);
10. The State Water Board finds that the following specific economic, social, technological, and environmental benefits of the Project outweigh the unavoidable adverse environmental impacts on agriculture, noise, and air quality and the growth inducements:
 - a. The Project is necessary to address the water quality violations identified by the Central Valley Regional Water Quality Control Board and to meet the revised Waste Discharge Requirements.
 - b. The Project will ensure adequate wastewater treatment that will accommodate existing and future growth and provide for the projected increase in wastewater treatment capacity.

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- c. The Project will implement the City's General Plan. The General Plan was adopted following a comprehensive review and public participation process, which included input from all segments of the community. The General Plan represents the community's fundamental policies and aspirations for the future course of development in the City.
11. The State Water Board reviewed and considered the EIR and applicable environmental documents, and determined that the Project will not result in any significant adverse water quality impacts;
12. The City must meet the following deadlines:
 - a. A financing agreement must be executed or be executable by September 1, 2009.
 - b. The Division must receive a completed Approval of Award (AOA) request before October 1, 2009.
 - c. The Division must receive a copy of an executed construction contract before October 16, 2009.
13. The City must comply with any additional conditions required by the American Recovery Reinvestment Act of 2009 (ARRA) including, but not limited to the following in order to receive a one percent financing agreement:
 - a. Section 1606 - Davis-Bacon Act wage rules apply
 - b. Section 1605 – Buy American requirements
 - c. Section 1512 - Reporting
14. Failure to comply with the time restrictions and special conditions of ARRA will automatically terminate this PFC. The City may still be eligible for CWSRF funding, at the standard financing rate at the time of the PFC, if CWSRF funding is available; and
15. The City must adopt a reimbursement resolution no later than 60 days after start of construction, and sign a tax certificate before executing a CWSRF agreement.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Adopts a Statement of Overriding Considerations regarding the City's WWTP Project;
2. Conditions the financing agreement, as determined by the City's credit review, with the following items:
 - a. The financing agreement shall be secured on parity with the outstanding Installment Sales Agreement.
 - b. The City shall fund a reserve fund of one year's debt service from available cash in the Wastewater Systems Revenue prior to completion of construction date.
 - c. The financing agreement shall be limited to a maximum of \$23.1 million unless information supporting the credit review changes and a supplemental credit review is performed.
3. Approves a \$23.1 million CWSRF PFC for the proposed Project, including a 20-year repayment period, with the first repayment due one year after completion of construction;

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4. Conditions this approval by withdrawing the CWSRF PFC if the City does not sign the CWSRF agreement by September 1, 2009, in accordance with Section IX (J) of the Policy. Authorize Division staff the discretion to approve up to a 90-day extension for good cause;
5. Conditions this approval such that a financing agreement may be executed, but funds for construction will not be disbursed until the rates subject to Proposition 218 are approved;
6. Conditions the financing agreement to require the City to implement a public education program for two years following the adoption of the new sewer rate schedule if five percent or more of the ratepayers protest during the Proposition 218 process.
7. Conditions this approval such that the City must meet the following deadlines:
 - a. A financing agreement must be executed or be executable by September 1, 2009.
 - b. The Division must receive a completed AOA request before October 1, 2009.
 - c. The Division must receive a copy of an executed construction contract before October 16, 2009.
8. Conditions this approval such that the City must comply with any additional conditions required by ARRA including, but not limited to the following in order to receive a 1 percent interest financing agreement:
 - a. Section 1606 - Davis-Bacon Act wage rules
 - b. Section 1605 – Buy American requirements
 - c. Section 1512 - Reporting
9. Conditions this approval such that this PFC will be withdrawn if the City fails to comply with the time restrictions and special conditions of ARRA. The City may still be eligible for CWSRF funding, at the standard financing rate at the time of this PFC, if CWSRF funding is available; and
10. Conditions this approval such that the City must adopt a reimbursement resolution no later than 60 days after start of construction, and sign a tax certificate before executing a CWSRF agreement.

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 June 16, 2009.

Jeanine Townsend
Clerk to the Board