

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING - DIVISION OF FINANCIAL ASSISTANCE
JANUARY 19, 2010**

ITEM 3

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION OF A VACATION OF THE RESCISSION OF THE PRELIMINARY FUNDING COMMITMENT (PFC) APPROVED PURSUANT TO RESOLUTION NO. 2009-0057 REGARDING CLEAN WATER STATE REVOLVING FUND (CWSRF) FINANCING FOR THE LOS ANGELES COUNTY SANITATION DISTRICT NO. 20 (DISTRICT), PALMDALE WATER RECLAMATION PLANT (PWRP) STAGE V (PROJECT) – CWSRF PROJECT NO. C-06-4746-110

DISCUSSION

On July 7, 2009, the State Water Resources Control Board (State Water Board) adopted [Resolution No. 2009-0057](#), adopting a statement of overriding conditions, adopting an air quality conformity determination, and approving a CWSRF PFC for the District's Project. The resolution included an automatic rescission of the PFC if the District did not sign the financing agreement by September 7, 2009, with a 90-day extension to December 7, 2009. The Division of Financial Assistance (Division) experienced an increased workload due to the American Recovery and Reinvestment Act of 2009 (ARRA), and the timely execution of the financing agreements for ARRA was a priority. As a result, the Division was not able to finalize the CWSRF financing agreement for the Project in time for the District's sign-off by December 7, 2009.

Furthermore, during the review of the Approval of Award package, staff determined that the total eligible project costs exceed the amount approved in the District's Calmuni credit report. The District has decided to apply all CWSRF financing to the PWRP Expansion component of the Project (C-06-4746-110) and withdraw the Storage Reservoirs project (C-06-4746-120), Transmission Pipelines project (C-06-4746-130), and Pump Stations project (C-06-4746-140) from the PFC. A withdrawal letter stating this request was sent by the District on November 5, 2009. The withdrawn projects are currently in construction and will be funded by the District using alternate sources.

POLICY ISSUE

Should the State Water Board:

1. Vacate the rescission of the PFC in Resolution No. 2009-0057, except with regard to C-06-4746-120, C-06-4746-130, and C-06-4746-140?
2. Condition this approval by reinstating the rescission if the District does not sign a CWSRF financing agreement by July 19, 2010, in accordance with Section IX (K) of the State Water Board *Policy for Implementing the CWSRF for Construction of Wastewater Treatment Facilities* (Policy)?
3. Give Division staff the discretion to approve up to a 120-day extension for good cause?

STAFF RECOMMENDATION

The State Water Board should:

1. Vacate the rescission of the PFC in and by Resolution No. 2009-0057, except with regard to C-06-4746-120, C-06-4746-130, and C-06-4746-140;
2. Condition this approval by reinstating the rescission if the District does not sign a CWSRF financing agreement by July 19, 2010, in accordance with Section IX (K) of the Policy; and
3. Give Division staff the discretion to approve up to a 120-day extension for good cause.

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.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2010-

OF A VACATION OF THE RESCISSION OF THE PRELIMINARY FUNDING COMMITMENT (PFC) APPROVED IN RESOLUTION NO. 2009-0057 REGARDING CLEAN WATER STATE REVOLVING FUND (CWSRF) FINANCING FOR THE LOS ANGELES COUNTY SANITATION DISTRICT NO. 20 (DISTRICT), PALMDALE WATER RECLAMATION PLANT (PWRP) STAGE V (PROJECT) – CWSRF PROJECT NO. C-06-4746-110

WHEREAS:

1. The PFC approved by the State Water Resources Control Board under [Resolution No. 2009-0057](#) was conditioned on the District signing the financing agreement by a final extension date of December 7, 2009;
2. The Division of Financial Assistance (Division) was delayed in preparing a CWSRF financing agreement for the District's Project;
3. The District was unable to sign the CWSRF financing agreement by December 7, 2009;
4. The PFC for the Project was rescinded by the terms of Resolution No. 2009-0057;
5. The District withdrew project numbers C-06-4746-120, C-06-4746-130, and C-06-4746-140.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Vacates the rescission of the PFC in and by Resolution No. 2009-0057, except with regard to C-06-4746-120, C-06-4746-130, and C-06-4746-140;
2. Conditions this approval by reinstating the rescission if the District does not sign a CWSRF financing agreement by July 19, 2010, in accordance with Section IX (K) of the Policy; and
3. Gives Division staff the discretion to approve up to a 120-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 January 19, 2010.

Jeanine Townsend
Clerk to the Board