

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2002 - 0055

APPROVAL OF A PRELIMINARY LOAN COMMITMENT FROM THE
SEAWATER INTRUSION CONTROL (SWI) LOAN PROGRAM FOR
THE ORANGE COUNTY WATER DISTRICT (DISTRICT),
GROUNDWATER REPLENISHMENT SYSTEM (PROJECT)

WHEREAS:

1. The 2000 Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (Bond Law), Proposition 13, allocated \$25 million to the SWI Subaccount to provide loans for design, construction, construction engineering and administration SWI projects;
2. The 2000 Bond Law also provided that approximately \$10 million in unallocated funds from the SWI Subaccount of the 1996 bond law be transferred and deposited into the SWI Loan Program Subaccount;
3. The State Water Resources Control Board (SWRCB), on October 23, 1997, adopted Resolution No. 97-097 which included adoption of *Seawater Intrusion Control Loan Program Guidelines* (Guidelines) which made funds available on a first-come-first-served basis;
4. A loan application was submitted by the District requesting funding for the Project;
5. The District's Project meets the eligibility criteria under the Guidelines;
6. The Division of Clean Water Programs (Division) has reviewed the loan application and supporting documents and issued a Facilities Plan Approval on February 1, 2002;
7. The Guidelines place a \$2.5 million funding cap on loans and require Plans and Specifications (P&S) approval prior to SWRCB consideration;
8. The District has requested a waiver of the funding cap and P&S requirement for this project; and
9. The District Board of Directors certified an Environmental Impact Report (EIR) (State Clearinghouse No. 1998111030) which has been reviewed and considered, and it has been determined that:
 - (a) As stated in the EIR/EIS, this project will have unavoidable significant impacts to air quality, hazards/risk of upset, noise, transportation, utilities, aesthetics, and public services. These impacts are short term and are significant during the construction phase of the Project. No long term significant adverse impacts are anticipated. NO_x emissions during construction will be significant even with the implementation of mitigation measures. Emergency access along the major conveyance pipeline in neighborhoods adjacent to the River View Golf Course during construction and the potential possibilities of chemical spills and flooding from system damage during a catastrophic seismic event will remain significant. Noise levels due to construction would temporarily exceed local noise ordinances regardless of mitigation measures. Short-term disruption of utility service could occur in the event that a utility line was damaged. Pipeline construction will adversely affect the aesthetics of portions of the River View Golf Course and possibly the adjacent neighborhood during the time it takes for the street trees and landscape to

grow to maturity. Short-term emergency response time could be impeded regardless of mitigation measures that require a free lane of travel at all times.

The SWRCB hereby finds that, for the reasons set forth below, with regard to the unmitigable significant impacts that may potentially occur from approval of the Project, water quality benefits derived from implementation of the Project outweigh those impacts identified above.

Implementation of the Groundwater Replenishment System Project would result in the following benefits:

- Providing a new, reliable water supply to help meet increased demands within the District service area;
- Increasing the local water supply by 120,000 acre-feet per year by 2020;
- Reducing the District's dependence on imported water;
- Improving groundwater quality in the basin and protecting the basin from seawater intrusion;
- Conforming to the Orange County Sanitation District Charter, which supports water recycling;
- Maintaining supplies of reclaimed water to industrial and landscape irrigation customers;
- Providing an opportunity for future connections to the system;
- Deferring construction of a second ocean outfall;
- Reducing wastewater flows near the shore and during storm events; and
- Providing a reliable water supply in times of drought.

(b) Changes or alterations have been required in, or incorporated into the Project which avoid or reduce to less than significant levels the other potentially significant environmental effects identified in the EIR with respect to:

Water resources impacts, which will be mitigated by:

- Coordinating all Project plans along the Santa Ana River with the U.S. Army Corps of Engineers and the Orange County Flood Control District (OCFCD);
- Constructing all proposed facilities that are within, adjacent to, or across a flood control channel during the dry season;
- Designing pipelines constructed in the bottom or levees of a flood control channel so that they do not undermine or scour due to flows in the channel;
- Acquiring a Section 404 Permit of the Federal Clean Water Act for improvements within the Santa Ana River;
- Using Best Management Practices, such as sandbagging, manufactured channels or swales, diversion velocity dissipators, desilting basins, detention/retention ponds to prevent construction sedimentation from moving into waters;
- Releasing treated water from the project into the Santa Ana River only in an extreme emergency;
- Complying with the National Pollution Discharge Elimination System program;
- Abandoning or limiting to approved non-potable uses, wells that are within the minimum distance and travel time criteria for proximity to reclaimed water recharge or injection;
- Coordinating with the OCFCD on plans under the Greenville-Banning Flood Control Channel and east and west river levees;
- Prior to construction, submitting all Project plans to OCFCD for review and approval; and

- Entering into an agreement with Orange County for use of the river and the Greenville-Banning Flood Control Channel.
- (c) With respect to other potentially significant environmental impacts identified in the environmental document, appropriate changes or alterations are not within the responsibility and jurisdiction of the SWRCB. Such other changes or alterations have been adopted or should be adopted by other agencies.
- (d) Copies of the EIR/EIS may be viewed by the general public during normal business hours at the State Water Resources Control Board Division of Clean Water Programs 1001 I Street, 16th Floor, Sacramento, CA 95814.

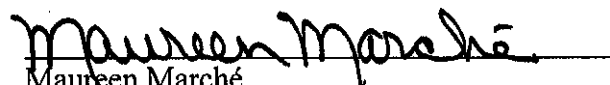
THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board:

1. Approves an exception to the SWI Loan Program limitation as required in the Guidelines, adopted in Resolution No. 97-097.
2. Approves an exception to the requirement in the Guidelines for approval of final plans and specifications prior to preliminary SWI loan commitment.
3. Approves an exception to the requirement in the Guidelines that the first repayment is due one year after project completion.
4. Approves a preliminary SWI loan commitment of \$14.83 million to the District for construction of the Project with a repayment period of 20 years, and the first loan repayment is due one year after the first disbursement of loan funds.
5. Will withdraw this preliminary SWI loan commitment if the Agency does not issue Notice to Proceed on the construction contract for the Project by December 1, 2002. The Division of Clean Water Programs may approve up to a 90-day extension to the above deadline for good cause.
6. Hereby conditions Project approval on the compliance with the mitigation measures outline above.

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 Resources Control Board held on March 21, 2002.


Maureen Marché
Clerk to the Board