

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2002 - 0117

APPROVAL OF A PRELIMINARY LOAN COMMITMENT FROM
THE STATE REVOLVING FUND (SRF) LOAN PROGRAM FOR
THE ORANGE COUNTY WATER DISTRICT (DISTRICT),
GROUNDWATER REPLENISHMENT SYSTEM (PROJECT)

WHEREAS:

1. The State Water Resources Control Board (SWRCB), on February 16, 1995, adopted the *Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities*, and revised it on June 18, 1998;
2. The SWRCB, on June 21, 2001, adopted the state fiscal year 2001/2002 SRF Loan Program Priority List which included the Groundwater Replenishment System Project for the District in the fundable Priority Category C and a \$25 million per year cap on SRF loan disbursements;
3. The Division of Clean Water Programs (Division) has reviewed the SRF loan application and supporting documents, and issued a Facilities Plan Approval letter on March 8, 2002;
4. On January 23, 2002, the SWRCB adopted Resolution No. 2002-0015, approving a Water Recycling Construction Program Grant of \$5 million as part of the funding request by the District. On March 21, 2002, the SWRCB adopted Resolution No. 2002-0055, approving a Seawater Intrusion Control Loan of \$14.3 million as an additional part of the funding request by the District. To complete the Project, the District has requested additional funding assistance of \$152.2 million through the SRF loan program; and
5. 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/Environmental Impact Statement, 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.

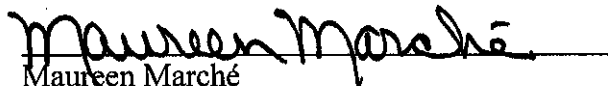
THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board:

1. Approves a State Revolving Fund (SRF) loan of \$152.2 million subject to a \$25 million annual cap from the state fiscal year 2002 account for the Orange County Water District's (District) Project, with a repayment period of 20 years, and the first repayment due one year after completion of construction;
2. Will withdraw this preliminary SRF loan commitment if the District does not issue Notice to Proceed on the construction contract for the Project by December 1, 2002. The Division may approve up to a 90-day extension for good cause;
3. Requires, as a condition of loan approval, that mitigation measures for water quality, specified in the Environmental Impact Report prepared by the District, be implemented; and
4. The Project Performance Standards will be based on Waste Discharge Requirements.

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 June 20, 2002.


 Maureen Marché
 Clerk to the Board