WHEREAS:

1. The Policy prohibits borrowers from entering into future debt senior to a CWSRF obligation;
2. The Policy’s prohibition on future debt prohibits recipients from refinancing existing senior debt to take advantage of lower interest rates; and
3. Allowing recipients to reduce their debt service strengthens their financial position, and therefore increases the security of the CWSRF obligation because they have additional available net revenues.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

Approves the clarification of Section X.G.1 of the Policy to allow refunding of senior debt provided the following conditions are met:

a. The new senior debt shall refund or refinance existing senior debt.

b. The new senior debt shall have the same or earlier repayment term as the refunded senior debt.

c. The new senior debt service shall be lower than the existing debt service; and

d. The future senior debt shall not diminish the Agency’s ability to repay its CWSRF obligation(s).

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 October 20, 2009.

AYE:    Chairman Charles R. Hoppin
       Vice Chair Frances Spivy-Weber
       Board Member Tam M. Doduc
       Board Member Arthur G. Baggett, Jr.
       Board Member Walter G. Pettit

NAY:   None

ABSENT: None

ABSTAIN: None

Jeanine Townsend
Clerk to the Board