

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2026-0027**

AUTHORIZING FUNDING FROM THE CLEAN WATER STATE REVOLVING FUND
(CWSRF) TO THE QUARTZ VALLEY INDIAN RESERVATION FOR THE
SCOTT RIVER HEADWATERS PROPERTY LAND BACK, PROTECTION,
CWSRF PROJECT NO. 8841-110

WHEREAS:

1. On December 31, 2024, Quartz Valley Indian Reservation (QVIR or Tribe) submitted an application to the Clean Water State Revolving Fund (CWSRF) Program for the Scott River Headwaters Property Land Back, Protection Project (Project).
2. On August 5, 2025, the Project (CWSRF Project No. 8841-110) was included on the Fundable List in the adopted 2025–2026 CWSRF Intended Use Plan.
3. Division of Financial Assistance (Division) staff have worked extensively with QVIR and Trust for Public Land (TPL) over the past year to evaluate the proposed scope and sources of repayment, review financial projections and complex legal issues, discuss land acquisition sequencing, and how to implement management measures to ensure compliance with applicable requirements.
4. The Project provides the Tribe with the chance to reclaim ancestral homelands adjacent to its reservation. Conveying the property to QVIR will enable the Tribe, in partnership with the Scott River Watershed Council, to restore and steward the land for cultural preservation, watershed health, fire resilience, and wildlife benefits through the application of Traditional Ecological Knowledge and the Tribe's extensive environmental expertise and capacity.
5. QVIR proposes to acquire and protect approximately 39,686 acres of land within the Scott River Headwaters area to support implementation of management measures consistent with the State Water Resources Control Board's (State Water Board's) Nonpoint Source Program Implementation Plan for its Nonpoint Source Management Program. Project activities include development of a Nonpoint Source Management Plan and a Property Management Plan, as well as actions to reduce commercial timber harvesting, preserve shade-providing vegetation to help reduce elevated water temperatures, and reduce sediment waste discharges through land protection and restoration activities.
6. The Project implements the State Water Board's Nonpoint Source Program Implementation Plan and is therefore eligible for CWSRF financing under Section 319 and 603 of the federal Clean Water Act.

7. The Project will help protect the Scott River, which is listed as impaired for sediment and temperature on the 303(d) list of impaired waterbodies. Implementation of actions focused on reducing temperature and minimizing fine sediment discharges is a high priority for the North Coast Water Board and will support the implementation of the Action Plan for the Scott River Sediment and Temperature Total Maximum Daily Loads (TMDL).
8. QVIR has dedicated its carbon credits and timber harvest revenues for repayment of the CWSRF financing agreement.
9. A financial review was completed, confirming initial eligibility for a CWSRF financing amount of \$25,000,000 for the project, assuming a 30-year term at a 2.3 percent interest rate.
10. The State Water Board finds that the Project will not result in any significant adverse water quality impacts. The State Water Board shall file a Notice of Exemption with the State Clearinghouse following the Board funding approval of the Project.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Deputy Director of the Division to execute a financing agreement and any amendments to implement the Project, up to the amount of \$25,000,000 at an interest rate of 0 percent, and a term of 30 years, with a provision for reasonable principal forgiveness up to the amount of \$5,000,000, considering the health of the CWSRF and other relevant considerations, under the condition that the Tribe can meet all funding terms and conditions and afford the loan.
2. Conditions this approval, as determined by the Division's financial review of QVIR, with the following:
 - a. QVIR will establish a Reserve Fund equal to four year's debt service, built over a time period established in the financing agreement,
 - b. QVIR will provide a Notice of Exercise of the Options Agreement, or similar document, signed by TPL and seller, to the satisfaction of the Division and its counsel, and
 - c. The financing agreement shall be limited to the maximum amount of \$25,000,000, unless new information supporting the credit review changes and a supplemental credit review is performed.

3. Requires QVIR to record a first lien on the Properties, and their fixtures, harvests and revenues, in favor of the State Water Board, and record title documents with the Siskiyou County Recorder.
4. No later than three years after the acquisition of the Properties, requires QVIR to develop a Property Management Plan and Nonpoint Source Management Plan, which includes implementation of management measures to correct and prevent deterioration of the watershed due to past, current, and proposed timber harvest practices and other project scope items established in the financing agreement.
5. Requires QVIR to waive sovereign immunity from suit for the limited purposes of specific performance of the CWSRF financing agreement, including, but not limited to, loan repayment and implementation of the state's nonpoint source strategies, and implementation of any cooperative agreements. Before the financing agreement is executed, requires QVIR to provide documentation, to the satisfaction of the State Water Board's counsel, that it has waived sovereign immunity for these purposes.
6. Prior to entering into a financing agreement, requires the Tribe to provide a legal opinion with regard to the Tribe's property rights in the Project properties, discussing such rights and certifying that such rights will enable the Tribe to access, implement, operate, maintain, and allow for outside inspections of the Project throughout the useful life of the Project or the financing term, whichever is longer.

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 July 21, 2026.

AYE: Chair E. Joaquin Esquivel
Vice Chair Dorene D'Adamo
Board Member Sean Maguire
Board Member Nichole Morgan
Board Member Jared Blumenfeld

NAY: None

ABSENT: None

ABSTAIN: None



Courtney Tyler
Clerk to the Board