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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2023

CLARIFYING THE PLANNING AND DESIGN FINANCING AGREEMENT RESTRUCTURING LANGUAGE IN THE CLEAN WATER STATE REVOLVING FUND (CWSRF) POLICY

WHEREAS:

1. Section VIII.C.3 of the Policy for Implementing the Clean Water State Revolving Fund (Policy), amended on December 3, 2019, allows a CWSRF planning and design loan financing agreement (planning agreement) to be restructured as part of executing a CWSRF loan financing agreement for construction of the same project (construction agreement), but is unclear about when and how the financing terms from the construction agreement are to be integrated into the planning agreement;
2. The Division of Financial Assistance (DFA) and the Division of Administrative Services (DAS) use the Loans and Grants Tracking System (LGTS) database to manage and track project funding;
3. LGTS and the State Water Board's financial reporting can change the interest rate and term for a planning agreement on or after the planning/work completion date; and
4. DFA recommends that the Board clarify the meaning and method of restructuring a planning agreement authorized by the Policy, to avoid any confusion or questions about its auditable records.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Clarifies that restructuring planning agreements, as authorized under the CWSRF Policy, means that the balance of the planning agreement, meaning the principal and any interest accrued prior to the restructuring, will be re-amortized using the interest rate and the length of the amortization period of the construction agreement for the same project. The interest rate on the restructured planning

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agreement will accrue at the new rate, and the revised amortization schedule will take effect, starting on the completion of construction date.

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, 2023.

Courtney Tyler
Clerk to the Board