



Terry Tamminen
Secretary for
Environmental
Protection

State Water Resources Control Board



Arnold Schwarzenegger
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POTW and Non-point Source Mailing Lists

To Wastewater and Water Recycling Agencies, and Non-point Source Groups:

STATE REVOLVING FUND (SRF) PROGRAM STATUS

The State Water Resources Control Board (SWRCB) manages and implements the SRF as one of its financial assistance programs. For those of you not familiar with the SRF program, it provides low interest loans to municipalities for construction of wastewater and water recycling treatment works and non-point source pollution projects. The program has operated since 1989 and has issued over \$2.7 billion in loans to local agencies.

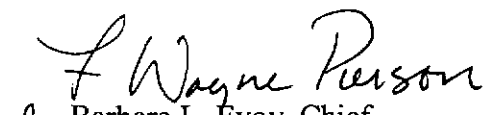
At the present time, the cash flow balance of the SRF program has been fully committed and does not allow for any further commitment of funds. No new loan applications will be accepted and all activities associated with loan applications recently received will remain on hold until the SRF's cash flow balance is able to accommodate new loan commitments.

Those agencies that currently have a preliminary loan commitment from the SWRCB or an executed SRF loan contract will not be affected. The SWRCB will continue to process these projects to completion of the contract.

The SWRCB will be taking every step possible to return the SRF program to active status and resume processing loan applications. Currently, we are seeking to fill several staffing positions to aid in leveraging of the program through the sale of revenue bonds. However the timing of this sale remains uncertain. Presently we are hopeful that we will be able to return the SRF program to full active status within 18 to 24 months.

Future announcements regarding the SRF program's status will be posted on the SWRCB's Internet site at www.swrcb.ca.gov. If you have any questions regarding the SRF program's status, please contact Mr. Darrin Polhemus at (916) 341-5694 or polhemud@swrcb.ca.gov.

Sincerely,

for 
Barbara L. Evoy, Chief
Division of Financial Assistance