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Agency Secretary

State Water Resources Control Board



Arnold Schwarzenegger
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TO: All Regional Water Quality Control Board
Executive Officers

FROM: Barbara L. Evoy, Chief

DIVISION OF FINANCIAL ASSISTANCE

DATE:

JAN 12 2005

SUBJECT: STATE FISCAL YEAR (SFY) 2005-2006 STATE REVOLVING FUND (SRF) LOAN PROGRAM PRIORITY LIST - REQUEST FOR REGIONAL WATER QUALITY CONTROL BOARD (RWQCB) INPUT

The Division of Financial Assistance (Division) requests your input on the SFY 2005-2006 SRF Loan Program Priority List in accordance with Chapter IV.A of the *Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities* (SRF Policy). Attachment 1 is a copy of the preliminary List, Attachment 2 is the proposed schedule for adopting the SFY 2005-2006 Priority List, and Attachment 3 is the SRF project information sheet.

Although the Division is not currently making new SRF loan commitments, we ask that you help us update the Priority List to document current funding needs and insure that we are prepared to make funding commitments when the program resumes. The Division expects to resume making new loan commitments after the sale of leverage bonds is completed. The sale of leverage bonds is currently scheduled for May 2005. The Division expects to resume commitments of loan funds to local agencies on a prioritized basis in accordance with the 2005-2006 SRF Loan Program Priority List, or any subsequent priority system adopted by the SWRCB. The list is scheduled for adoption by the SWRCB on June 16, 2005.

The proposed SFY 2005-2006 Priority List will be developed based on the following assumptions regarding the State Water Resources Control Board's (SWRCB) approval:

- 1) Projects will not receive preliminary loan commitments until the SWRCB completes the sale of leverage bonds.
- 2) The SWRCB will continue to include projects in Priority Classes A through D on the fundable portion of the list.
- 3) The fundable portion of the list will include those projects that have received preliminary loan commitments and are scheduled for loan assistance during the first year of the five-year planning period.
- 4) The extended portion of the statewide list will include those projects without preliminary loan commitments scheduled for loan contracts during the following four years.
- 5) The SWRCB will continue the \$25 million cap on the amount of SRF funds that one agency can receive per SFY. The \$25 million per Agency appears to be sufficient to fund most projects and ensure that loan funds are distributed equitably.
- 6) The SWRCB will use the priority system in the SRF Policy last revised on January 22, 2003.

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7) Projects in all Needs Categories will be eligible for the fundable portion of the SFY 2005-2006 List. Any State, County, SWRCB, or RWQCB enforcement action necessary for a particular priority classification must be taken prior to the adoption or amendment of the Priority List (Chapter IV.E2 of the SRF Policy).

The Division also requests your assistance in making sure that consideration and public input is received regarding addition of non-point source and storm drainage pollution control projects to the SFY 2005-2006 Priority List. Please contact Mark Magtoto at (916) 341-5481 or mmagtoto@waterboards.ca.gov for information.

Each request for a priority list change or addition of a new project must contain the following:

- 1) A transmittal letter summarizing the RWQCB request.
- 2) Adequate documentation of an existing public health or water quality problem if the request is for priority Class A or B.
- 3) A copy of the appropriately signed RWQCB enforcement action for Class A, B, or C requests.
- 4) Copies of any applicable staff reports.
- 5) A completed copy of the Project Priority History/Information Sheet (Attachment 3) for all project changes and for addition of new projects.

Please contact Bob Pontureri at (916) 341-5828 or RPontureri@waterboards.ca.gov if you have any questions regarding adoption of this year's list.

Attachments

cc:	Redding, Fresno, & Victorville Offices	Alan Patton, DFA
	Darrin Polhemus, DFA	Leslie Laudon, DFA
	Shahla Farahnak, DFA	Alice Stebbins, DFA
	Christopher Stevens, DFA	Dave Kim, DFA
	Paul Marshall, DFA	Lauma Jurkevics, DFA
	Sandy Malos, DFA	Mark Magtoto, DFA
	Bill Winchester, RWQCB-Region 1	Richard Condit, RWQCB-Region 2
	Corinne Huckaby, RWQCB-Region 3	David Koo, RWQCB-Region 4
	Karen Niiya, RWQCB-Region 5	Scott Ferguson, RWQCB-Region 6
	John Carmona, RWQCB-Region 7	Jawed Shami, RWQCB-Region 8
	Brian Kelly, RWQCB-Region 9	