

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2016-0059**

TO APPROVE CLEAN WATER REVOLVING FUND (CWSRF) PROGRAM FINANCING/SMALL
COMMUNITY GRANT (SCG) FOR THE NEVADA COUNTY SANITATION DISTRICT #1
(DISTRICT) CASCADE SHORES COMMUNITY LEACH FIELD PROJECT (PROJECT),
CWSRF PROJECT NO. C-06-8077-110

WHEREAS:

1. The State Water Resources Control Board's (State Water Board) Division of Financial Assistance (Division) implements the Clean Water State Revolving Fund (CWSRF) Program pursuant to the "Policy for Implementing the Clean Water State Revolving Fund" (Policy), last amended by the State Water Board on February 17, 2015;
2. The Project is listed on the CWSRF Project List;
3. The Policy authorizes the Deputy Director of the Division to execute a financing agreement for routine and non-controversial projects;
4. The Project is considered to be non-routine because the District wants to decommission the Cascade Shores Wastewater Treatment Plant before repayment of an existing CWSRF loan for a Wastewater Treatment Plant project is completed in 2029;
5. The District was issued Time Schedule Order (TSO) No. R5-2010-0909, which included a compliance schedule to bring final effluent limitations for copper into compliance;
6. The District wishes to address these problems of the Wastewater Treatment Plant by constructing a community leach field;
7. The District applied for SCG funding to complete the construction work associated with these issues;
8. The estimated cost for this construction project is \$2,200,000, which will be funded through Small Community Grant and CWSRF loan;
9. The District is the lead agency under the California Environmental Quality Act (CEQA), and has complied with CEQA Guidelines by preparing an Initial Study/Mitigated Negative Declaration (IS/MND) for the Project;
10. Adequate public participation was provided through the CEQA review process. The IS/MND was circulated through the State Clearinghouse (SCH; No. 2013092049) from September 25, 2013 through October 24, 2013 for public review and comments;
11. The District adopted the IS/MND and a Mitigation Monitoring and Reporting Program, and approved the Project on March 11, 2014;

12. The District filed a Notice of Determination (NOD) for the IS/MND with the Governor's Office of Planning and Research (OPR) on March 13, 2014, and the Nevada County Clerk on March 14, 2014;
13. The District prepared an Addendum to the IS/MND (Addendum) for the Project. The Addendum was distributed to the public and circulated through SCH for review from August 11, 2015 through September 24, 2015;
14. The District approved the Addendum on December 8, 2015;
15. On January 21, 2016, the State Water Board Cultural Resources Officer (CRO) requested concurrence from the State Office of Historic Preservation (OHP) on determination of "No Adverse Effects to Historic Properties." On February 24, 2016, the OHP concurred with the CRO's determination;
16. On January 29, 2016, State Water Board staff initiated an informal consultation with the United States Fish and Wildlife Service (USFWS) under Section 7 of the Endangered Species Act for California red-legged frogs. The USFWS responded on March 21, 2016, via email determining that the Project would have "no effect" on California red-legged frogs. The USFWS requested that they be notified if the District selects to implement the Alternative No. 2 instead of the Project; and
17. The District's environmental documents provided an adequate disclosure of all water quality aspects of the Project. Mitigation measures and design measures incorporated into the Project will avoid or substantially reduce other potentially significant environmental impacts. The Project will not result in any significant adverse water quality impacts.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:


1. Authorizes the Deputy Director of the Division of Financial Assistance to:
 - a. Enter into an agreement with the District to provide 50% of the total project cost in Proposition 1 Small Community Grant Funding and the other 50% in repayable CWSRF financing for the Project at an interest rate of one percent (1.7%) for a project amount of up to \$2,200,000, and
 - b. Increase the repayable component in the financing agreement for good cause, subject to determination that such increase is consistent with the financing limit determined by the Division's subsequent financial review.
2. Conditions the approval, as determined by the environmental review, with the following environmental conditions:
 - a. The March 11, 2014 MMRP, including but not limited to, mitigation measures 3A- 3C for air quality; 4A-4G for biological resources; 5A for cultural resources; 6A for geology/soils; and 9A-9B for hydrology/water quality;
 - b. The January 21, 2016 concurrence letter from Julianne Polanco of the OHP to Gary Scholze of the State Water Board; and

- c. The March 21, 2016, email from Steven Detwiler at the USFWS to Amanda Dwyer at the State Water Board titled "Nevada County Sanitation District No. 1 Cascade Shores Leachfield USFWS," the District shall notify the USFWS if Alternative 2 is selected for the Project.
3. Conditions the approval with the following financial conditions:
- a. The District shall pledge the net revenues of the Zone 8 system and the Zone 8 – Cascade Shores Fund, for repayment of the proposed CWSRF financing agreement. The pledged revenues and fund shall be subject to lien as security for the financing agreement.
 - b. Any further conditions the Division deems appropriate to provide adequate security for repayment of the financing agreement.
4. Conditions this approval on the District approval and execution of the financing agreement by April 30, 2017, unless Division staff approves an extension of up to 120 days for good cause. Any extension may include additional provisions necessary to satisfy state and federal requirements.

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 December 6, 2016.

- AYE: Vice Chair Frances Spivy-Weber
Board Member Steven Moore
Board Member Dorene D'Adamo
- NAY: None
- ABSENT: Chair Felicia Marcus
Board Member Tam M. Doduc
- ABSTAIN: None



Jeanine Townsend
Clerk to the Board