

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2007-0064**

APPROVING A PRELIMINARY STATE REVOLVING FUND (SRF) LOAN COMMITMENT TO CHICO URBAN AREA JOINT POWERS FINANCING AUTHORITY (JPFA) FOR CONSTRUCTION OF THE CHICO URBAN AREA NITRATE COMPLIANCE PROJECT (PROJECT); SRF LOAN PROJECT NO. C-06-4111-220

WHEREAS:

1. The State Water Resources Control Board (State Water Board), on February 16, 1995, adopted the "*Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities*," and amended it on July 17, 2007;
2. The State Water Board, on September 4, 2007, adopted the State Fiscal Year 2007/2008 SRF Loan Program Priority List which included the JPFA's Project in Priority Class A;
3. The Division of Financial Assistance (Division) has approved the Facility Plan for the JPFA's Project on September 21, 2007, and the JPFA agreed with the approval on September 24, 2007;
4. The JPFA will fund the Project's construction through redevelopment tax increment revenue collected throughout the Chico Amended and Merged Redevelopment Project Area;
5. On June 21, 2001, Division staff distributed the Environmental Impact Report (EIR) to the following federally designated agencies: US EPA; Army Corps of Engineers; U.S. Fish and Wildlife Service; U.S. Department of Agriculture; Federal Emergency Management Agency; and USDA Natural Resources Conservation Service. The federal review period expired on August 6, 2001. There were no comments or concerns from federal agencies;
6. On October 22, 2002, the State Historic Preservation Officer concurred with the Division's finding that no historic properties will be affected by the Project. Monitoring by an archaeologist approved by the Mechoopda Tribe will be required in designated areas; and
7. Division staff compared the applicant's information to published Air Quality Standards to determine whether a conformity determination is required. No conformity determination is necessary. Therefore, Division staff submitted its analysis to USEPA for review and comment. No comments were received from USEPA on the staff analysis of air quality impacts.
8. The County certified an Environmental Impact Report (State Clearinghouse No. 1999102080) for the proposed Project which has been reviewed and considered, and it has been determined that:

- (a) Changes or alterations have been required or incorporated into the proposed Project which avoid or reduce to less than significant levels potentially significant environmental effects identified in the EIR with respect to: (i) impacts to water quality which will be mitigated by diverting runoff away from construction areas, retaining sediment onsite by proper use of silt fences, and stabilizing disturbed soil areas using hydro-mulch or other appropriate methods; (ii) impacts to biological resources which will be mitigated by conducting annual raptor surveys prior to construction activities during spring or early summer; and (iii) impacts to air quality which will be mitigated by implementing standard dust suppression measures and utilizing Best Available Control Technology for all diesel-fueled construction equipment.
 - (b) With respect to other potentially significant environmental impacts identified in the environmental document, appropriate changes or alterations are not within the responsibility and jurisdiction of the State Water Board. Such other changes or alterations have been adopted or should be adopted by other agencies.
 - (c) Project alternatives have been considered, and it has been concluded that the proposed Project is the environmentally superior alternative.
 - (d) Copies of the Draft and Final EIRs are available for review at the State Water Resources Control Board, 1001 I Street, 16th Floor, Sacramento, California, 95814, during normal business hours.
9. In November 2006, Division staff reassessed environmental conditions in the proposed Project area because the EIR is now more than five years old, and determined there are no new adverse impacts expected to occur in relation to water quality, special status species or habitat, cultural resources, additional impacts to air quality, or growth inducement.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves a SRF Preliminary Loan Commitment of \$38 million for the JPFA's Project, with a repayment period of 20 years, and the first repayment due one year after completion of construction of the entire Project;
2. Includes a condition that this SRF Preliminary Loan Commitment will expire if the JPFA does not sign the SRF Loan Agreement by June 1, 2008. The Division has the discretion to approve up to a 90-day extension for good cause, without further action by the State Water Board.
3. Directs the Division to allocate \$38 million consistent with the construction schedule and availability of funds.

4. Authorizes the Deputy Director of the Division to reduce the amount of the SRF preliminary loan commitment and/or demand immediate repayment of received SRF loan amount including incurred interest, if the JPFA does not continue to make progress on Project construction or delays construction without prior approval by the Division.

CERTIFICATION

The undersigned, Acting 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 4, 2007.

AYE: Tam M. Doduc
Gary Wolff, P.E., Ph.D.
Arthur G. Baggett, Jr.
Charles R. Hoppin
Frances Spivy-Weber

NO: None

ABSTAIN: None



Jeanine Townsend
Acting Clerk to the Board