

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2012-0045**

DIRECTING THE STATE WATER RESOURCES CONTROL BOARD'S EXECUTIVE DIRECTOR TO APPLY TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (U.S. EPA) TO OFFER EXTENDED TERM FINANCING (ETF) FOR DISTRESSED MUNICIPALITIES AS PART OF THE CLEAN WATER STATE REVOLVING FUND (CWSRF) PROGRAM

WHEREAS:

1. The CWSRF Program is a joint federal/state funded program, providing low-cost financing for projects intended to improve the quality of the state's waters;
2. While CWSRF financing terms are generally capped at 20 years under state and federal law, U. S. EPA may authorize a state to offer ETF, with financing terms capped at 30 years;
3. In 2008, U.S. EPA approved the State Water Board's ETF program for small, disadvantaged communities, and in 2012 U.S. EPA approved the State Water Board's ETF program for regionalization projects;
4. The State Water Board most recently amended its *Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities* (Policy), which Policy guides the CWSRF Program, in March 2009;
5. The State Water Board recognizes the effect that the current state of the economy has on communities obligated to repay CWSRF financing agreements;
6. ETF help address the financial conditions in California communities and reduce the possibility of defaults on outstanding CWSRF agreements;
7. The eight approval criteria outlined by U.S. EPA for ETF will be addressed in the application to U.S. EPA; and
8. Staff has determined that the CWSRF can maintain or exceed its average historic assistance level while providing ETF to communities in financial distress or facing a financial emergency.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board directs the Executive Director, or designee, to apply to U.S. EPA to offer ETF for communities with outstanding CWSRF agreements that are in financial distress or facing a financial emergency;
2. The State Water Board approves the amendments to the Policy, identified in the [Attachment](#), contingent upon approval of this application by U.S. EPA; and

3. The State Water Board directs staff, in the CWSRF Annual Report, to evaluate the effect of ETF on the revolving level of the CWSRF.

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 Board held on September 19, 2012.

AYE: Chairman Charles R. Hoppin
Vice Chair Frances Spivy-Weber
Board Member Tam M. Doduc
Board Member Steven Moore
Board Member Felicia Marcus

NAY: None

ABSENT: None

ABSTAIN: None



Jeanine Townsend
Clerk to the Board