STATE OF CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

In the Matter of the Extension of the

1991 AZUSA ESCROW AGREEMENT

ORDER NO. WQ 96-06

BY THE BOARD:

I. BACKGROUND

On May 17, 1991, the State Water Resources Control Board (SWRCB), the Los Angeles Regional Water Quality Control Board (LARWQCB), and the Azusa Landfill Reclamation Co., Inc., (ALR) entered into an Escrow Agreement whereby ALR transferred three million dollars (\$3,000,000) to an escrow agent, the Bank of America. This money was placed in an escrow account to be used to pay for ground water treatment projects in the Azusa/Baldwin Park area of the San Gabriel Valley. As of January 31, 1996, approximately \$1,300,000 had been expended from the escrow account leaving a balance of approximately \$1,700,000.

The Escrow Agreement contains a termination clause. Termination is scheduled to occur five years from the date of the 1991 Escrow Account. Any moneys remaining in the account would revert to ALR. However, the Escrow Agreement may be extended for one or more additional periods up to five years each. For such an extension to occur, the SWRCB is required to hold a public Krith

hearing and thereafter adopt an order that the termination date should be extended because treatment plant construction expenditures will probably be made during or after the proposed extension period. To be effective, such an order by the SWRCB must be delivered to the escrow agent and ALR no later than 30 calendar days before the date when the relevant extension period is to begin. That date would be April 17, 1996.

II. <u>DISCUSSION</u>

The SWRCB conducted a public hearing on March 6, 1996 to receive evidence on the issue of whether the 1991 Azusa Escrow Agreement should be extended. At the hearing, evidence was received that clearly indicates that additional expenditures on ground water treatment projects in the Azusa/Baldwin Park area of the San Gabriel Valley are likely and that the Escrow Account could serve as a source of funding for such projects. Evidence was received from the LARWQCB, the San Gabriel Basin Water Quality Authority, and the Main San Gabriel Watermaster. Specific evidence was received regarding several projects currently in the planning stages. Each of the interested persons supports the extension of the Escrow Agreement.

III. CONCLUSIONS

Based upon the record before the SWRCB, the SWRCB finds that the termination date for the 1991 Azusa Escrow Agreement should be extended because ground water treatment plant

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construction expenditures for which the Escrow Account could be used will probably be made during or after the proposed extension period.

IV. ORDER

The SWRCB's Executive Director is directed to transmit this Order to the escrow agent and ALR and to request a five-year extension of the 1991 Escrow Agreement.

CERTIFICATION

The undersigned, Administrative Assistant to the Board, does hereby certify that the foregoing is a full, true, and correct copy of an order duly and regularly adopted at a meeting of the State Water Resources Control Board held on March 21, 1996.

AYE: John P. Caffrey John W. Brown Mary Jane Forster Marc Del Piero

NO: None.

ABSENT: James M. Stubchaer

ABSTAIN: None.

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Administrative Assistant to the Board

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