

Attachment B

PROPOSED AMENDMENTS TO THE *POLICY FOR IMPLEMENTING THE STATE REVOLVING FUND FOR CONSTRUCTION OF WASTEWATER TREATMENT FACILITIES (POLICY)* (UNDERLINE INDICATES NEW TEXT)

The following definition will be modified in Section III, Definitions:

(m) “Extended Term Financing (**ETF**)” means financing for a term exceeding twenty (20) years but no longer than thirty (30) years, meeting the conditions and restrictions set forth by the United States Environmental Protection Agency (U.S. EPA) (see Appendix G).

The following definition will be added to Section III, Definitions:

“Regionalization” means the merging of existing sewage collection and/or wastewater treatment systems to provide their customers consolidated collection and treatment to reduce costs, increase reliability, or decommission facilities. (see Appendix G)

The following will be added to Section IX, Approval of Construction Financing, A. Project Report:

Applicants requesting ETF for regionalization must include the following in the Project Report: 1) a description of all the agencies involved, 2) a description of all wastewater and/or collection systems that will be affected including a description of the changes that will be made to the existing infrastructure, 3) the useful life of all components required to implement the regionalization, 4) the anticipated influent and effluent parameters for the combined system, and 5) an affordability analysis.

The following will be added to Section X, Construction Financing Agreement, E. Other Incentives:

1. The State Water Board may lower the interest rate determined in X.D for a specified class of borrowers or type of project after a public meeting.
2. The State Water Board may provide other financial incentives allowed by law for a specified class of borrowers or type of project after a public meeting.
- 3. The State Water Board may provide ETF, consistent with U.S. EPA’s approval, for regionalization.**

Upon approval, Appendix G of the CWSRF Policy will be revised to include the State Water Board Resolution and the criteria of approval specified by the United States Environmental Protection Agency (U.S. EPA).