

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2002 - 0120

APPROVAL OF A STATE REVOLVING FUND (SRF) LOAN
FOR THE CITY OF SAN LUIS OBISPO (CITY);
WATER REUSE PROJECT (PROJECT);
SRF LOAN PROJECT NO. C-06-4307-110

WHEREAS:

- 1) The State Water Resources Control Board (SWRCB), on February 16, 1995, adopted the "*Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities,*" and revised it on June 18, 1998;
- 2) The SWRCB, on June 21, 2001, adopted the state fiscal year 2001/2002 SRF Loan Program Priority List which included the Reclaimed Water Distribution System (Reclamation) Project for the City in the fundable Priority Category C and subsequently, renamed the project as the Water Reuse Project;
- 3) The Division of Clean Water Programs (Division) has reviewed the SRF loan application and supporting documents, and issued a Facilities Plan Approval letter on December 31, 2001;
- 4) On February 19, 2002, the SWRCB adopted Resolution No. 2002-0028, approving a Water Recycling Construction Program Grant of \$3.39 million as part of the financial assistance request by the City. To complete the Project, the City has requested additional funding assistance of \$8.41 million through the SRF loan program; and
- 5) The City has certified an Environmental Impact Report (State Clearinghouse No. 1992031048) for the proposed project which has been reviewed and considered, and it has been determined that:
 - a) Changes or alterations have been required in or incorporated in to 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 resources which will be mitigated by discharging a minimum of 1.7 cfs to San Luis Obispo Creek, implementing the project over time as new customers are brought online, re-vegetating portions of the riparian corridor that are disturbed by project construction, and modifying the fish-way past the Marre Dam to improve conditions for steelhead migration; (ii) impacts to biological resources which will be mitigated by dedicating 1.7 cfs of effluent to Public Trust Resources, replacing the fish ladder at Marre Dam, creating 12,000 square feet of off-creek pond turtle habitat, constructing a well field to supply irrigation water for the Hayashi property, constructing an alternative out-fall approximately 3000 feet upstream of the present out-fall, expending approximately \$75,000 for other creek improvement programs, and funding watershed maintenance at a rate of \$25.00 per acre foot of recycled water sold; and (iii) impacts to cultural resources which will be mitigated by adopting an archeological program that consists of a final project design review, pre-construction orientation, and archeological monitoring in sensitive areas.

- 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 SWRCB. Such other changes or alterations have been adopted or should be adopted by other agencies.

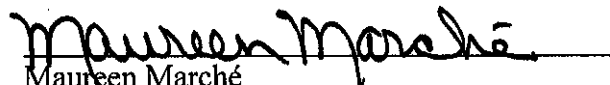
THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board:

- 1) Approves a State Revolving Fund (SRF) loan of \$8.41 million from the state fiscal year 2002 account for the City of San Luis Obispo's (City) Project, with a repayment period of 20 years, and the first repayment due one year after completion of construction;
- 2) Will withdraw this preliminary SRF loan commitment if the City does not submit biddable plans and specifications of the project by December 16, 2002. The Division may approve up to a 90-day extension for good cause;
- 3) Consistent with Resolution No. 2002-0028, approves reservation of eligible capacity for treatment, pumping, distribution pipelines and operational storage for the Project;
- 4) Requires, as a condition of loan approval, that mitigation measures for water quality, specified in the Environmental Impact Report prepared by the City, be implemented; and
- 5) Will base the Performance Standards for this Project on the City's Master Water Reclamation Permit issued by the Central Coast Regional Water Quality Control Board.

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 June 20, 2002.


Maureen Marché
Clerk to the Board