

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2005-0083

APPROVAL OF RESOLUTION CONCERNING THE LOS OSOS
COMMUNITY SERVICES DISTRICT (DISTRICT)
WASTEWATER COLLECTION, TREATMENT AND DISPOSAL PROJECT (PROJECT)
STATE REVOLVING FUND (SRF) LOAN PROJECT NO. C-06-4014-110

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* (Policy), and amended it on January 22, 2003;
2. The State Water Board, on June 17, 2004, adopted the state fiscal year 2004/2005 SRF Loan Program Priority List which included the District's Project in Priority Class A;
3. On January 20, 2005, the State Water Board approved a preliminary loan recommitment of \$93,000,000 for construction of the District's project;
4. The District's action to suspend work and intent to relocate the wastewater treatment plant site had prompted Division of Financial Assistance (Division) staff to issue a Notice to Withhold disbursements of SRF funds to the District in a letter dated October 18, 2005; and
5. Division staff has reason to believe that the District's action is in breach or has threatened breach of the SRF loan agreement by substantially changing the scope of the approved project.

THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board:

1. Shall continue to withhold the SRF Funds from the District until the Division receives:
 - a) Official notification by the District no later than close of business on November 23, 2005, of resumption of work on all three construction contracts, as previously approved for construction of a wastewater treatment plant at the Tri-W site, in compliance with previous approvals; or
 - b) Official notification by the District no later than close of business on November 23, 2005, that the District accepts the phased approach put forth by Assemblyman Blakeslee ([Attachment A](#)) requiring:
 - 1) The District to begin immediate groundwater remediation,
 - 2) The District to file immediately opposition to Measure B with the appellate court,
 - 3) The District to immediately obtain a bond to secure the amounts reimbursed from the SRF prior to passage of a Proposition 218 assessment vote,
 - 4) The District to hold a Proposition 218 assessment vote;
 - 5) The District to hold an election to repeal Measure B, if not stricken down by the court;
2. The Executive Director is hereby authorized to request the assistance of the Attorney General in any necessary litigation to defend the State Water Board's interest in this SRF loan.

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 November 16, 2005.

AYE: Tam M. Doduc
Richard Katz
Gerald D. Secundy

OPPOSED: None.

ABSENT: Arthur G. Baggett, Jr.

ABSTAIN: None.

A handwritten signature in black ink, reading "Selica Potter". The signature is written in a cursive, flowing style with a horizontal line extending from the end of the name.

Selica Potter
Acting Clerk to the Board