

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2007-0047**

APPROVAL TO AUTHORIZE STATE REVOLVING FUND (SRF) LOAN FUNDING FOR THE CITY OF ST. HELENA (CITY); ST. HELENA-NAPA RIVER FLOOD PROTECTION AND ESTUARY RESTORATION PROJECT (PROJECT); SRF LOAN NO. C-06-6093-110

WHEREAS:

1. The City has requested a SRF Loan for \$12 million for the Project;
2. The Project's restoration activities will reverse the effect of historic, anthropogenic river channel incision, prohibit excessive sedimentation, improve the riparian vegetation and aquatic habitat, stabilize eroding riverbanks, and reduce fine sediment supply;
3. The Project will improve aquatic habitat for Special Status Species including Steelhead, Chinook Salmon, and California Freshwater Shrimp;
4. The Project will re-route urban runoff presently discharged directly into the Napa River (River), and will eliminate uncontrolled flows over commercial, industrial, and residential lands that cause non-point source pollution during small storm events and address dry weather runoff and first flush flows from storm events;
5. The City prepared and Certified a Final Environmental Impact Report and two Addenda for its proposed Comprehensive Flood Protection Project;
6. The City Council approved the currently designed Project with a second Addendum on June 27, 2006, and filed a Notice of Determination with the Napa County Clerk and the Governor's Office of Planning and Research on July 3, 2006;
7. State Water Resources Control Board (State Water Board) staff have reviewed and considered these environmental documents and determined that the Project will not have any significant adverse water quality impacts; and
8. The City has dedicated the remaining \$11.5 million from Measure A to repay this SRF Loan.

THEREFORE BE IT RESOLVED THAT:

The State Water Board approves a Preliminary Funding Commitment of \$12 million in SRF Loan funds for the City's Project with the following conditions:

- 1) Disbursement of SRF Loan funds is limited to \$9.1 million until the City is able to dedicate an acceptable source of funds to repay a loan greater than \$9.1 million.

- 2) The City must submit a legal opinion from a licensed attorney on whether it can continue to use Measure A proceeds to make Loan repayments if the Project gets stopped due to litigation. The SRF Loan Agreement will not be executed until the State Water Board's legal staff have reviewed and approved the opinion.
- 3) The City shall record senior liens in favor of the State Water Board on the project properties.

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 July 17, 2007.

AYE: Tam M. Doduc
 Gary Wolff, P.E., Ph.D.
 Arthur G. Baggett, Jr.
 Charles R. Hoppin
 Frances Spivy-Weber

NO: None

ABSENT: None

ABSTAIN: None



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Clerk to the Board