

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2008-0069**

EXECUTION OF THE STATE REVOLVING FUND (SRF) AND WATER RECYCLING
FUNDING PROGRAM (WRFP) STANDARD AGREEMENTS FOR THE LAKE
ARROWHEAD COMMUNITY SERVICES DISTRICT (DISTRICT), RECYCLED WATER
PHASE I PROJECT (PROJECT) – SRF PROJECT NO. C-06-4352-110; WRFP
PROJECT NO. 3608-030

WHEREAS:

1. The Division of Financial Assistance (Division), on February 22, 2008, approved a WRFP Grant Commitment of \$2.51 million, and on April 7, 2008, approved an SRF Loan Commitment of \$6.22 million, for the District's Project;
2. On April 9, 2008, the Division issued the Approval to Award the construction contract for the Project. Notice to Proceed was issued to the contractor on April 28, 2008;
3. The District's current land use permit with the United States Department of Agriculture Forest Service (USDA Forest Service) will expire on December 12, 2012, and will not be extended prior to the permit expiration date;
4. An extension to the land use permit is not a requirement of the SRF or WRFP policies, but is common practice for construction projects funded through the Division's funding programs. There is inherent risk in constructing the Project on such a site because any future claim by a party asserting any interest in real property upon which the Project is located could affect the value or usefulness of the Project. The Division requested that the District seek an extension of the current permit or provide an equivalent form of insurance (i.e. surety bond);
5. The District has provided a letter from the USDA Forest Service, stating that the USDA Forest Service foresees no obstacles to renewing the permit beyond the term of the SRF and WRFP financing agreements;
6. The Grass Valley Wastewater Treatment Plant has been in operation on USDA Forest Service land since 1985 and the land use permit was previously renewed in 1993;
7. The District concluded that extending the current permit or providing a surety bond are not viable options for the District; and,
8. The proposed Project will help the District comply with Lahontan Regional Water Board Cease and Desist Order (CDO) No. R6V-2002-0008 and State Water Resources Control Board, Division of Water Rights Order WR 2006-001.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

Direct staff to execute the SRF and WRFP agreements without a current extension to the District's land use permit.

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 Board held on September 16, 2008.

AYE: Chair Tam M. Doduc
Arthur G. Baggett, Jr.
Charles R. Hoppin
Frances Spivy-Weber

NAY: None

ABSENT: Vice Chair Gary Wolff, P.E., Ph.D

ABSTAIN: None



Jeanine Townsend
Clerk to the Board