

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2014-0045**

TO APPROVE CLEAN WATER STATE REVOLVING FUND (CWSRF) PROGRAM FINANCING FOR THE CITY OF DIXON (CITY) FOR THE DIXON WASTEWATER TREATMENT FACILITY IMPROVEMENTS PROJECT (PROJECT), CWSRF PROJECT NO. C-06-8001-120

WHEREAS:

1. The State Water Resources Control Board (State Water Board), on May 7, 2013, amended the "*Policy for Implementing the Clean Water State Revolving Fund*" (Policy);
2. The Project is listed on the CWSRF Project List;
3. The Project is considered controversial because the City has received significant opposition from the public to its wastewater rates;
4. The City is the lead agency under the California Environmental Quality Act (CEQA), and has complied with CEQA and CEQA Guidelines by preparing an Initial Study/Mitigated Negative Declaration (IS/MND) for the Project;
5. Adequate public participation was provided through the CEQA review process. The IS/MND was circulated through the State Clearinghouse (No. 2014012034) from January 14, 2014 through February 12, 2014 for public review and comment;
6. The City adopted the IS/MND and a Mitigation Monitoring and Reporting Program, and approved the Project on March 11, 2014;
7. The City filed a Notice of Determination for the IS/MND with the Solano County Clerk on March 21, 2014 and the Governor's Office of Planning and Research on April 3, 2014;
8. Per the June 16, 2014 concurrence letter from the United States Department of Homeland Security, Federal Emergency Management Agency to the State Water Board, the City shall ensure compliance with the federal and local floodplain management building requirements identified;
9. The Project will have no potential to adversely affect migratory birds; and
10. The City's environmental documents provided an adequate disclosure of the environmental relationships of all water quality aspects of the Project. Mitigation measures and design measures incorporated into the Project will avoid or substantially reduce other potentially significant environmental impacts. The Project will not result in any significant adverse impacts to water quality;

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves up to \$28,500,000 in CWSRF construction/implementation financing for the City's Project.

2. As determined by the environmental review, the following documents shall be incorporated into the financing agreement by reference, and the City shall comply with the conditions therein:
 - a. The letter dated June 16, 2014, from the United States Department of Homeland Security, Federal Emergency Management Agency (FEMA) to the State Water Board regarding Floodplain Management (Executive Order 11988) consultation for the City of Dixon Wastewater Treatment Facility Improvements Project, Dixon, Solano County, California. The City will make no changes in the Project, construction area, or special conditions, without obtaining prior approval from the State Water Board and FEMA. The Recipient understands that it is prohibited from making any such changes without those approvals.
 - b. The March 2014 Mitigation Monitoring and Reporting Program, including but not limited to the following mitigation measures:
 - AIR-1 for air quality,
 - BIO-1 through BIO-7 for biological resources,
 - CUL-1 through CUL-2 for cultural resources,
 - HAZ-1 for hazards and hazardous materials, and
 - HYD-1 for hydrology and water quality.
3. Condition this approval, as determined by the City's credit review, with the following:
 - a. The City shall pledge the net revenues of the Sewer Enterprise Fund for repayment of the proposed CWSRF financing agreement. This pledged revenue fund (source) shall be subject to lien and pledge as security for the Obligation;
 - b. The proposed financing agreement shall be issued on parity with the 2012 Refunding Revenue Bond, and the existing General Fund debt;
 - c. The recipient shall maintain sewer rates and charges sufficient to generate net revenues equal to at least 1.25 times the total annual debt service;
 - d. The recipient may not incur future senior debt. Recipient's future debt may be issued on parity with CWSRF debt if policy conditions are met. (Policy 1X, 4C); and
 - e. The City shall establish a restricted reserve fund, held in the Sewer Enterprise Fund, equal to one year's debt service prior to the construction completion date of the project. The restricted reserve fund shall be maintained for the full term of the finance agreement and shall be subject to lien and pledge as security for the Obligation.

4. Condition the disbursement of construction funds contingent on the City's submittal of a Water Conservation Plan or proof that the City is signatory to the Memorandum of Understanding with the California Urban Water Conservation Council.

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 August 19, 2014.

AYE: Chair Felicia Marcus
 Vice Chair Frances Spivy-Weber
 Board Member Tam M. Doduc
 Board Member Steven Moore
 Board Member Dorene D'Adamo

NAY: None

ABSENT: None

ABSTAIN: None



Jeanine Townsend
Clerk to the Board