

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2016-0024**

AUTHORIZING THE DEPUTY DIRECTOR OF THE DIVISION OF FINANCIAL ASSISTANCE
TO PROVIDE DRINKING WATER STATE REVOLVING FUND (DWSRF) AND/OR
PROPOSITION 1 FUNDING TO THE CITY OF KERMAN TO CONSOLIDATE DOUBLE L
MOBILE RANCH PARK IN AN AMOUNT NOT TO EXCEED \$3,230,000

WHEREAS:

1. The State Water Board adopted the Policy for Implementing the Drinking Water State Revolving Fund Program (DWSRF Policy) on October 21, 2014;
2. On August 4, 2015, the State Water Board adopted the DWSRF/Proposition 1 Intended Use Plan (2015-16 IUP), which sets forth the plan for how funds will be used within the State Fiscal Year 2015-2016 and refines criteria set forth in the DWSRF Policy for the coming year;
3. The 2015-16 IUP authorizes the Deputy Director of the Division of Financial Assistance to provide grant or principal forgiveness financing at a maximum of \$25,000 per service connection to small community water systems where the system serves a small disadvantaged community;
4. On October 24, 2013, the City of Kerman (City) began submitting an application to receive DWSRF/ Proposition 1 grant financing for the consolidation of Double L Mobile Ranch Park (Double L);
5. Double L has median household income (MHI) of only \$14,000, serves 37 service connections and is considered a severely disadvantaged community;
6. On July 10, 2015, the City requested DWSRF/ Proposition 1 grant financing in the amount of \$3,230,000 on behalf of Double L for consolidation;
7. The technical review supports the project cost of \$3,230,000 as a preliminary estimate;
8. Exceeding the \$25,000 cap for grants or principal forgiveness will allow the City to fully consolidate and address the water quality violations in Double L;
9. Consolidation with the City has been deemed by the Division of Financial Assistance as the only long term sustainable solution for Double L;
10. The State Water Board has previously provided grant or principal forgiveness financing to disadvantaged communities that exceeded the cap of \$25,000 per service connection;
11. The Project is listed on the Comprehensive List;
12. The City is the Lead Agency under the California Environmental Quality Act (CEQA);

13. The City prepared two Negative Declarations (NDs), and an addendum titled: City of Kerman, Double L Mobile Ranch Park Water Service Project; City of Kerman, New Well Site No.18; CEQA- Final Addendum with Biological Resources Assessments, City of Kerman, Double L Mobile Ranch Park Water Service Project; which were circulated through the State Clearinghouse (Nos. 2013061036 and 2013121030) for review and comment;

14. The City adopted the NDs and the addendum as follows:

- IS/ND, titled Final Negative Declaration, City of Kerman, New Well No. 18, SCH# 2013061036, August 2013; adopted by City Council on August 7, 2013; NOD filed with Fresno County Clerk on August 7, 2013, and filed with the State Clearinghouse on September 3, 2013.
- IS/ND, titled Final Negative Declaration, City of Kerman Double L Mobile Ranch Park Water Service Project, SCH# 2013121030, dated January 2014; adopted by City Council on January 15, 2014; NOD filed on January 16, 2014 with the Fresno County Clerk and NOD filed on January 21, 2014, and with the State Clearinghouse on January 21, 2014.
- Addendum (SCH# 2013121030): Both CEQA projects were combined into one through adoption of the Addendum (December 28, 2015). The final Addendum was adopted by the City Council on January 6, 2016; filed with the Fresno County Clerk on January 7, 2016; and filed with the State Clearinghouse on January 8, 2016;

15. The State Water Board is a Responsible Agency under CEQA. A responsible agency complies with CEQA by considering the NDs and the Addendum prepared by the lead agency and by reaching its own conclusions on whether and how to approve the Project involved; and

16. The State Water Board has independently considered the IS/NDs with associated Cultural Reports, and the Addendum with revised Biological Resource Assessments, and found that mitigation has been incorporated into the Project to reduce the environmental impacts of the Project to less-than-significant levels as described in the final NDs and Addendum.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Deputy Director of the Division of Financial Assistance to execute a DWSRF/ Proposition 1 funding agreement with the City in an amount not to exceed \$3,230,000 to be provided as a grant or as principal forgiveness, provided that the Deputy Director of the Division of Financial Assistance may increase this amount by up to 15% for good cause.

2. Conditions this approval, as determined by the City's credit reviews, with the following:
 - a. The City shall establish rates and charges sufficient to generate net revenues equal to at least 1.2 times the total annual debt service.
3. Conditions this approval, as determined by the City's environmental reviews, with the following:
 - a. The City shall implement the mitigation measures identified in the following documents (State Clearinghouse Numbers: 2013061036 and 2013121030) prepared for the Project:
 - Final Negative Declaration, City of Kerman, Double L Mobile Ranch Park Water Service Project; Prepared for the City of Kerman Public Works Department; Prepared by Yamabe & Horn Engineering, Inc; January 2014
 - Final Negative Declaration, City of Kerman, New Well Site No. 18; Prepared for the City of Kerman Public Works Department; Prepared by Yamabe & Horn Engineering, Inc; August 2013.
 - CEQA - Final Addendum with Biological Resources Assessment, City of Kerman, Double L Mobile Ranch Park Water Service Project; Prepared for Yamabe & Horn Engineering, Inc; October 2015 and Biological Resources Assessment, City of Kerman, New Well Site No. 18; Prepared by URS Corporation, 1360 E. Spruce Avenue, Suite 100, Fresno, CA 93720; Prepared for Yamabe & Horn Engineering, Inc; December 28, 2015.
 - Technical Report: Cultural Resources Assessment for the Double L Mobile Ranch Park Water Service Project; Kerman, Fresno County, CA; Prepared by URS Corporation, Sacramento, CA; December 2013.
 - Technical Report: Cultural Resources Assessment for the Proposed Construction of Well No.18; Kerman, Fresno County, CA; Prepared by URS Corporation, Sacramento, CA; December 2013.
 - b. As a potential generator of hazardous waste, the City shall comply with all applicable regulations in CCR Title 22, Division 4.5 Environmental Health Standards for the Management of Hazardous Waste, regarding the appropriate handling, management and disposal of residuals from the treatment plant. As soon as practical and prior to operation, the City shall contact the local Certified Unified Program Agency (CUPA) regarding the specific requirements for the potential generation of liquid or solid waste. For more information contact the CalEPA website for programs within the county of operation:
<http://www.calepa.ca.gov/CUPA/Directory/default.aspx>

- c. As a potential generator of radioactive material, the City shall comply with all applicable regulations in CCR, Title 17, Division 1, regarding the possession, use and disposal of radioactive material. The California Department of Public Health, Radiologic Health Branch oversees the issuance of General and Specific licenses authorizing the possession and use of source material for research, development educational, commercial or operational purposes and can be reached at (916) 327-5106.

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 May 3, 2016.

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