

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2018-0052**

TO MODIFY THE TERMS OF THE DRINKING WATER STATE REVOLVING FUND (DWSRF)
PROGRAM FINANCING FOR SHASTA COMMUNITY SERVICES DISTRICT (DISTRICT);
WATER TREATMENT PLANT IMPROVEMENT PROJECT (PROJECT); DWSRF PROJECT
NO. 4510013-003C; FINANCING AGREEMENT NO. SRF08CX102

WHEREAS:

1. On August 21, 2008, the California Department of Public Health (CDPH) executed a DWSRF financing agreement with the District for \$2,031,111, with a 20-year term and an interest rate of 2.2923 percent;
2. On July 1, 2014, the State Water Resources Control Board (State Water Board) assumed responsibilities from CDPH for all DWSRF agreements;
3. The State Water Board adopted the *Policy for Implementing the Drinking Water State Revolving Fund* (DWSRF Policy) on October 21, 2014;
4. The DWSRF Policy states that community water systems serving disadvantaged communities with financial hardship are eligible for 0 percent interest rate financing, and a repayment term of up to 30 years;
5. The District is considered a small disadvantaged community with a population of approximately 2,500 persons and a median household income of approximately \$48,900;
6. The District made timely and full semi-annual payments following completion of the Project to July 2018;
7. The Carr Fire burned 229,651 acres in Shasta and Trinity Counties between July 23, 2018 and August 30, 2018, and an estimated 450 of the District's 775 service connections (58%) were destroyed in the Carr Fire, including the District's main office;
8. On September 20, 2018, Division staff conducted an inspection of the Project facilities and determined the Project's overall useful life to be 30 years;
9. The District is in the early stages of assessing the extent of the damage and financial impact as a result of the Carr Fire, and a forbearance period would provide the District with the opportunity to evaluate such impacts to operating revenues and expenses; and
10. Extending the loan repayment term and reducing the interest rate would allow the District to maintain affordable water rates for its disadvantaged community.

THEREFORE, BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Deputy Director of the Division to extend the loan repayment term to 30 years reduce the interest rate to 0 percent for the remaining financing term and provide a forbearance of loan repayments for 5 years.

CERTIFICATION

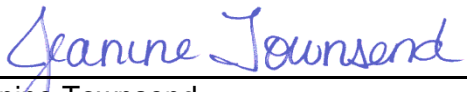
The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on November 28, 2018.

AYE: Chair Felicia Marcus
Board Member Tam M. Doduc
Board Member Dorene D'Adamo
Board Member E. Joaquin Esquivel

NAY: None

ABSENT: None

ABSTAIN: None



Jeanine Townsend
Clerk to the Board