

STATE WATER RESOURCES CONTROL BOARD
WORKSHOP SESSION – DIVISION OF FINANCIAL ASSISTANCE
SEPTEMBER 7, 2005

ITEM 5

SUBJECT

AMENDMENT TO THE POLICY FOR IMPLEMENTING THE STATE REVOLVING FUND FOR CONSTRUCTION OF WASTEWATER TREATMENT FACILITIES (SRF POLICY) TO INCORPORATE SUSTAINABILITY OF WATER RESOURCES

DISCUSSION

The SRF Policy was adopted by the State Water Resources Control Board (State Water Board) on August 18, 1988, and last amended on January 22, 2003. The SRF Policy establishes the rules under which the State Revolving Fund Loan Program provides low-interest loans for the construction of publicly-owned wastewater treatment and water recycling facilities, correction of nonpoint source and storm water drainage pollution problems, and implementation of estuary enhancement activities.

SRF Loans have the potential to influence water and land use practices in both positive and negative ways. In January 2005 (Resolution No. 2005-0006), the State Water Board declared sustainability of water and environmental resources to be one of its core values.

On May 10, 2005, staff of the State Water Board's Executive Office and staff from the Division of Financial Assistance (Division) met with staff from a number of organizations involved in housing, transportation, and resource management on how to incorporate sustainability into the SRF Policy. On July 28, 2005, the Division circulated a draft of the proposed amendments to the SRF Policy for review and comment by interested and affected parties. Comments received on the draft amendments by August 30, 2005, have been reviewed and, where appropriate, incorporated in the draft SRF Policy amendments. Exhibit A describes the proposed changes to the SRF Policy in detail.

The proposed amendments to the SRF Policy are intended to integrate the concept of sustainability¹ into the SRF Policy consistent with the State Water Board's declaration. The SRF Policy changes are intended to ensure that while the SRF Loan Program continues supporting water quality improvement projects, it does not stimulate unintended or poorly planned growth. The proposed changes to the SRF Policy are based on existing State law, and do not create new land use requirements or regulate local government decisions.

POLICY ISSUE

Should the State Water Board approve the proposed Amendments to the SRF Policy?

¹ Sustainability means balancing economic, environmental, and social factors to meet the needs of the present generation without compromising the ability of future generations to meet their own needs.

FISCAL IMPACT

Confirming compliance with the new policy measures may require a negligible workload increase.

REGIONAL WATER BOARD IMPACT

None

STAFF RECOMMENDATION

That the State Water Board adopt a resolution approving the amendments to the SRF Policy.

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2005-

AMENDMENT TO THE POLICY FOR IMPLEMENTING THE STATE REVOLVING FUND
FOR CONSTRUCTION OF WASTEWATER TREATMENT FACILITIES (SRF POLICY) TO
INCORPORATE SUSTAINABILITY OF WATER RESOURCES

WHEREAS:

1. The State Water Resources Control Board (State Water Board) adopted the SRF Policy on August 18, 1988, and last amended it on January 22, 2003;
2. The SRF Loan Program provides low-interest loan funding to finance projects intended to improve the quality of the State's waters;
3. SRF Loan Program's financing of capital projects has the potential to have a detrimental effect on water and land use resulting from unintended or poorly planned growth;
4. State Water Board Resolution No. 2005-0006 directs all Board programs to consider sustainability of water and environmental resources as a core value in the implementation of their programs and activities;
5. A Workgroup meeting was held with partner agencies and stakeholders on May 10, 2005, to solicit input on incorporating sustainability into the SRF Policy;
6. Interested and affected parties were notified of the proposed amendments and given the opportunity to comment on the proposed changes to the SRF Policy; and
7. Comments received on the draft amendment have been reviewed and, where appropriate, incorporated in the draft SRF Policy.

THEREFORE BE IT RESOLVED THAT:

The State Water Board approves the amendments to the SRF Policy.

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 September 22, 2005.

Debbie Irvin
Clerk to the Board

EXHIBIT A
PROPOSED AMENDMENTS TO THE SRF POLICY

The following new definitions are proposed for Section III, Definitions. The definitions section will be re-lettered accordingly.

“Infill” means new development and redevelopment within the existing developed footprint of a community, either on vacant land or on previously developed, underutilized land.

“Land Use Element” is one of the seven mandatory elements of a General Plan required by Government Code Section 65302.

“Housing Element” is one of the seven mandatory elements of a General Plan required by Government Code Section 65302.

“Sustainability” means balancing economic, environmental, and social factors to meet the needs of the present generation without compromising the ability of future generations to meet their own needs .

The following new text is proposed for Section IX.A, Project Report:

- 11. A description of how the applicant’s project addresses each of the state planning priorities defined in Section 65041.1 of the Government Code. The state planning priorities are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities. Applicants should use the most current state planning priorities as expressed in Section 65041. The state planning priorities as of the date of adoption of this Policy, are as follows:**
 - a. To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserve cultural and historic resources.**
 - b. To protect environmental and agricultural resources by protecting, preserving, and enhancing the state’s most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.**

EXHIBIT A
PROPOSED AMENDMENTS TO THE SRF POLICY

- c. To encourage efficient development patterns by ensuring that any infrastructure associated with development that is not infill supports new development that uses land efficiently, is built adjacent to existing developed areas to the extent consistent with the priorities specified pursuant to subdivision (b), in an area appropriately planned for growth, is served by adequate transportation and other essential utilities and services, and minimizes ongoing costs to taxpayers.**

The following new text is proposed for Section IX.D, General Planning. The trailing subsections in Section IX will be renumbered accordingly.

D. General Planning

The SWRCB will not give facilities plan approval for a project until the authorized representative has certified that the applicant has adopted the “land use” and “housing” elements of its General Plan and that the project is consistent with the adopted land use and housing elements.

If the applicant is not responsible for adopting the General Plan, then the authorized representative would have to certify that at least seventy-five (75) percent of its service area is covered by adopted land use and housing elements and that its project is consistent with those adopted land use and housing elements.