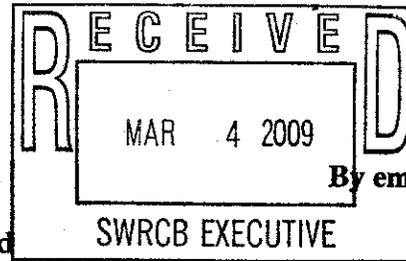




Dedicated to Preserving the Napa River for Generations to Come

935 HARTLE COURT
P.O. BOX 2480
NAPA, CALIFORNIA 94558-0522
TELEPHONE (707) 258-8000
FAX (707) 258-6048

March 4, 2009



Ms. Jeanire Townsend, Clerk to the Board
State Water Resources Control Board
1001 "I" Street, 24th Floor
Sacramento, CA 95814

Subject: Comments on Proposed Amendments to the Policy for Implementing the Clean Water State Revolving Fund (CWSRF)

Dear Ms. Townsend:

Napa Sanitation District, located in the Napa Valley, provides wastewater collection, treatment and disposal services to the residents and businesses in the City of Napa and surrounding unincorporated areas of Napa County. The District appreciates the opportunity to provide comments on the proposed amendments to the Policy for implementing the CWSRF.

The District appreciates the efforts of the State Water Board staff to modify the Policy to efficiently utilize the funds that will be available as a result of the federal economic stimulus bill. The District is generally supportive of the proposed changes, particularly those that: 1) expand the range of "soft costs" eligible for funding, 2) the addition of recycled water systems to the list of eligible facilities for funding, and 3) the modifications that are intended to make the process less onerous on the applicants.

In addition, the District supports the comments that have been submitted by the California Association of Sanitation Agencies and Tri-TAC.

The District has concerns that the modifications do not go far enough in that the process is still quite onerous and confusing to all but the largest and most sophisticated agencies with staff dedicated to managing the CWSRF process. The District has the following specific comments:

1. Section VIII A-G: Approval of Planning Financing has been added. On the surface this appears to be a positive step in that planning activities are now eligible for funding. However, the requirements of this section are overly burdensome and will likely be a disincentive to agencies considering applying for funding. Public agencies should not have to go through such an elaborate process in order to receive funding from the CWSRF. Instead, the District recommends that a review of the agency's most recent audited financial statement should be adequate documentation that the agency will meet the terms and conditions of the agreement with the CWSRF program.

2. Section IX.E.1. Election/Proposition 218 as revised states

"If the necessary revenue subject to Proposition 218 requirements has not been approved, a financing agreement may be executed, but funds for construction will not be disbursed until the rates are approved."

The District believes that the modified language is unnecessary and should be deleted or rewritten. As currently written, it would preclude funding that could occur in a manner other than through a rate increase.

3. Section IX.E.4. as revised states

"The applicant shall describe any pending or anticipated litigation, contractual or ratepayer/taxpayer disputes or adverse findings by outside reviewers that may detrimentally affect the applicant's payment source, the ability of the applicant to agree to or pay the CWSRF financing or manage and implement the project financed by the CWSRF Program."

The District believes that this section should not be modified. The current language provides adequate disclosure of material issues that could affect an agency's ability to repay its obligations under the CWSRF Program. As written, the proposed changes are too broad, and could apply to any objection to a proposed project raised through the Environmental Impact Review process or a public hearing, or even anyone who objects to any action by an agency related to a proposed project. For example, "adverse findings by outside reviewers" could mean any letter written by anyone reviewing an EIR. Furthermore, even the responsibility to merely describe any dispute or adverse finding is far too burdensome for an agency to undertake. We strongly recommend that this revision be given additional thought as to its implications upon implementation.

In summary, the District is generally supportive of the effort of State Water Board staff to make the CWSRF more efficient. However, the District supports additional changes to make the process less onerous and more flexible.

Please feel free to contact me by telephone or email (mabrason@napasan.com) should you have any questions or need additional information.

Sincerely,



Michael Abramson
General Manager

cc: Catherine Smith, CASA
Jim Colston, Tri-TAC
Monica Oakley, Oakley Water Strategies