



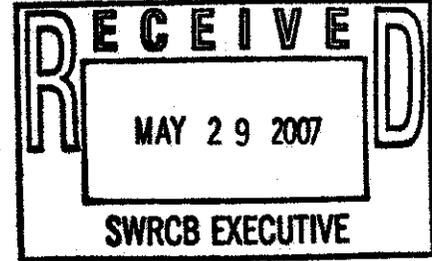
# Santa Ana Watershed Project Authority

7/17/07 BdMtg  
SRF Policy  
Deadline: 5/30/07 Noon

May 25, 2007

Ron Sullivan  
Commission  
Chair

Ms. Song Her, Clerk to the Board  
State Water Resources Control Board  
1001 "I" Street, 24<sup>th</sup> Floor  
Sacramento, California 95814



Celeste Cantú  
General  
Manager

**Subject: Comment Letter – SRF Policy**

Eastern  
Municipal  
Water  
District

Dear Ms. Her:

Inland  
Empire  
Utilities  
Agency

As one of the agencies recently considered by the Board for a State Revolving Fund Loan penalty, SAWPA appreciates the Board's reconsideration of the current policy. SAWPA understands the importance of meeting commitments to construct and operate the facility contracted for under the SRF loan program. The SWRCB should have the tools necessary to require compliance but these tools should offer flexibility to the Board based upon the severity of the non-compliance. Also, these tools should encourage timely identification and rapid resolution of issues identified. A simple administrative oversight should not result in huge financial penalties as the current policy requires.

Orange  
County  
Water  
District

SAWPA supports the concepts identified in options 3, 1, and 2 with Option 3 being the most preferred. Further, SAWPA supports a phased approach to the SWRCB's response incorporating administrative actions first, such as default notification and establishment of a response timeline, followed by withholding of a portion of further loan payments. Termination of the loan agreement should be an option in extreme cases.

San  
Bernardino  
Valley  
Municipal  
Water  
District

The SRF loan program has been a critical project financing tool for important watershed infrastructure. SWRCB program administration should provide reasonable assurances that projects are appropriately completed and encourage compliance with incremental incentives (penalties).

Western  
Municipal  
Water  
District

Thank you for this opportunity to comment.

Sincerely,

Ron Sullivan  
SAWPA Commission Chair

