

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: **BOARD OF SUPERVISORS**

Date: **MAY 18, 2010**

From: **JAMES DURFEE / WILL DICKINSON**

Subject: **SMD 1 WASTEWATER TREATMENT PLANT UPGRADE AND
EXPANSION: CLEAN WATER STATE REVOLVING FUND FINANCIAL
ASSISTANCE APPLICATION**

ACTION REQUESTED / RECOMMENDATION: Staff recommends that your Board adopt the attached Resolution to:

1. Designate the Director of Facility Services as the authorized representative to sign and file for a Financial Assistance Application from the State Water Resources Control Board;
2. Authorize the Director of Facility Services to certify that the Agency has and will comply with all applicable State and Federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Board; and,
3. Authorize the Director of Facility Services to negotiate and execute a financial assistance agreement and any amendments or change orders thereto upon review and approval by Risk Management and County Counsel, and certify financing agreement disbursements.

BACKGROUND: On March 10, 2009, your Board approved consulting agreements for preliminary design of the Sewer Maintenance District 1 (SMD 1) Wastewater Treatment Plant Upgrade and Expansion Project (Project). The preliminary design is now complete, and, as described in other memos on this agenda, staff recommends moving forward with final design and environmental review.

The estimated cost for the Upgrade Project is \$87 million. Obtaining funding at this level will be a fairly complicated and lengthy process; therefore, it is important to start the preliminary steps toward obtaining funding concurrent with final design. The two most likely mechanisms for funding this project are revenue bonds or a financing agreement with the Clean Water State Revolving Fund (CWSRF). At this time it appears that the CWSRF can save ratepayers several million dollars when compared to bond financing over a 20 year repayment period. The interest rate for CWSRF financing agreements is set at 50% of the most recent general obligation bond rate obtained by the State Treasurer's Office. This is likely to yield a financing cost ranging from 2.5 to 3.5%.

The actions recommended above are the first step in the process of obtaining a CWSRF financing agreement. The attached Resolution incorporates language required by the CWSRF. Staff anticipates returning to your Board for two additional actions prior to finalization of a financial assistance agreement: 1) An Ordinance dedicating a revenue

source for repayment of the borrowed funds; 2) A Reimbursement Resolution indicating the intent of the Agency to comply with Treasury Regulation section 1.150-2 regarding issuance of tax-exempt obligations.

ENVIRONMENTAL CLEARANCE: Approval of the recommended action is not a project as defined in the California Environmental Quality Act; however, the CWSRF will not consider our financial assistance application complete until your Board certifies an environmental document for the Project.

FISCAL IMPACT: Staff estimates that the costs to pursue the CWSRF financial assistance agreement will not exceed \$75,000. Sufficient funds are available in the SMD 1 Wastewater Treatment Plant Upgrade Capital Project budget to cover this expenditure. Approval of this request will have no impact upon the County General Fund.

ATTACHMENT: RESOLUTION

JD:WD:KK:LM

CC: COUNTY EXECUTIVE OFFICE

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Before the Board of Supervisors County of Placer, State of California

In the matter of: A RESOLUTION AUTHORIZING THE
DIRECTOR OF FACILITY SERVICES TO SIGN AND FILE
FOR A FINANCIAL ASSISTANCE APPLICATION FROM
THE STATE WATER RESOURCES CONTROL BOARD
FOR THE SMD 1 WASTEWATER TREATMENT PLANT
UPGRADE AND EXPANSION

Resol. _____

The following RESOLUTION was duly passed by the Board of Supervisors of the
County of Placer at a regular meeting held _____, by the
following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chairman, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, Sewer Maintenance District 1 has a need to acquire funding to upgrade and expand its existing wastewater treatment plant in order to comply with new discharge standards; and

WHEREAS, State Water Resources Control Board administers the Clean Water State Revolving Fund program on behalf of the people of the State of California and has money available for eligible wastewater projects; and

WHEREAS, State Water Resources Control Board requires that, in order to apply for Clean Water State Revolving Fund financial assistance, the governing Board of the sewer maintenance district must designate an authorized representative to negotiate and execute a financial assistance agreement.

NOW BE IT RESOLVED by the Board of Supervisors, County of Placer, State of California, that the Director of the Department of Facility Services, or his designated representative, is hereby authorized to sign and file on behalf of Sewer Maintenance District 1, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design and construction of the Sewer Maintenance District 1 Wastewater Treatment Plant Upgrade and Expansion; and

BE IT FURTHER RESOLVED that Sewer Maintenance District 1 hereby agrees and further does authorize the aforementioned representative or his designee to certify that the Agency has and will comply with all applicable state and federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Board; and

BE IT FURTHER RESOLVED that the Director of Facility Services, or his designee of Sewer Maintenance District 1, is hereby authorized to negotiate and execute a financial assistance

agreement from the State Water Resources Control Board and any amendment or change orders thereto upon review and approval by Risk Management and County Counsel, and certify financing agreement disbursements on behalf of Sewer Maintenance District 1.