

COUNTY OF SONOMA AGENDA ITEM SUMMARY REPORT			Clerk of the Board Use Only	
			Meeting Date _____	Held Until _____
			Agenda Item No: _____	Agenda Item No: _____
Department: Sonoma Valley County Sanitation District			() 4/5 Vote Required	
Contact: Erik Brown	Phone: (707) 547-1926	Board Date: 08-11-09	Deadline for Board Action:	
AGENDA SHORT TITLE: Sonoma Valley CSD Main Sewer Trunk Replacement (Watmaugh Road East to Treatment Plant) Project and Biosolids Management Upgrade Project – Reimbursement of Costs from State Revolving Fund Loan				
REQUESTED BOARD ACTION(S):				
1. Resolution stating the intention of District to seek reimbursement of certain project costs for the Main Sewer Trunk Replacement (Watmaugh Road East to Treatment Plant) Project incurred prior to execution of a State Revolving Fund (SRF) loan from proceeds of SRF loan for project costs that are properly chargeable to a capital account under general federal income tax principles.				
2. Resolution stating the intention of District to seek reimbursement of certain project costs for the Biosolids Management Upgrade Project incurred prior to execution of a State Revolving Fund (SRF) loan from proceeds of SRF loan for project costs that are properly chargeable to a capital account under general federal income tax principles.				
CURRENT FISCAL YEAR FINANCIAL IMPACT				
EXPENDITURES			ADD'L FUNDS REQUIRING BOARD APPROVAL	
Estimated Cost	\$	-0-	Contingencies	\$
			(Fund Name:)	
Amount Budgeted	\$	-0-	Unanticipated Revenue	\$
			(Source:)	
Other Avail Approp (Explain below)	\$		Other Transfer(s)	\$
			(Source:)	
Additional Requested:	\$	-0-	Add'l Funds Requested:	\$ -0-
Explanation (if required):				
Prior Board Action(s):				
4/21/09 Res. No. 09-0349 authorizing the General Manager/Chief Engineer to sign and file, for and on behalf of the District, a financial assistance application to the State Water Resources Control Board for State Revolving Fund Loan funding for the Biosolids Management Upgrade Project, and take all actions necessary to secure such funding.				
4/21/09 Res. No. 09-0350 authorizing the General Manager/Chief Engineer to sign and file, for and on behalf of the District, a financial assistance application to the State Water Resources Control Board for State Revolving Fund Loan funding for the Main Sewer Trunk Replacement (Watmaugh Road East to Treatment Plant) Project, and take all actions necessary to secure such funding				
Alternatives - Results of Non-Approval: Low-interest loan financing would not be available to the Sonoma Valley CSD Main Sewer Trunk Replacement (Watmaugh Road East to Treatment Plant) Project, or to the Sonoma Valley CSD Biosolids Management Upgrade Project.				

Background:

The Sonoma Valley County Sanitation District (District) Biosolids Management Upgrade Project (Biosolids Project) consists of upgrades, including modifications to the existing thickening process and Solids Handling Building; thickening system improvements and existing Solids Handling Building modifications, including replacement of the gravity thickener mechanism, new thickened sludge pumps, and building upgrades; and a new Solids Dewatering Building, including a screw press, polymer system, dewatered cake pumps, and a truck loadout area.

The District Main Sewer Trunk Replacement (Watmaugh Road East to Treatment Plant) Project (Watmaugh Project) consists of abandonment in place or removal and replacement of portions of the existing sewer trunk main with approximately 5,800 linear feet of polyvinyl chloride (PVC) pipe ranging in size from 30-42 inches in diameter, and installation of appurtenances.

On April 21, 2009, the Board of Directors of the District authorized the General Manager/Chief Engineer to finance the costs of planning, designing, and constructing the Biosolids Project and the Watmaugh Project with two separate State Revolving Fund (SRF) loans, one loan for each project, from the State Water Resources Control Board (SWRCB).

The District will incur costs for planning and designing the Biosolids Project and the Watmaugh Project prior to executing loan contracts. Upon signing the loan contracts for the respective projects, the District intends to reimburse some of these costs with loan funds. Since the SWRCB funds its SRF program by selling tax-exempt bonds, it requires the District to adopt a Resolution for each loan stating such intent, and confirming that the expenses that are reimbursed from loan funds are those which qualify as capital expenses under federal tax principles. These Resolutions are necessary to provide the SWRCB and investors who purchase the tax-exempt bonds that fund the SRF program with assurance that the District's use of the funds will not jeopardize the bonds' tax-exempt status. The expenses for which reimbursement will be sought have been identified as qualifying expenses in the SRF program policy. Under the terms of the Resolution, which is based on a model provided by the state, reimbursement will be limited to those expenses incurred within sixty (60) days before the Resolution is adopted.

REQUESTED BOARD ACTION(S):

1. Resolution stating the intention of District to seek reimbursement of certain project costs for the Main Sewer Trunk Replacement (Watmaugh Road East to Treatment Plant) Project incurred prior to execution of a State Revolving Fund (SRF) loan from proceeds of SRF loan for project costs that are properly chargeable to a capital account under general federal income tax principles.
2. Resolution stating the intention of District to seek reimbursement of certain project costs for the Biosolids Management Upgrade Project incurred prior to execution of a State Revolving Fund (SRF) loan from proceeds of SRF loan for project costs that are properly chargeable to a capital account under general federal income tax principles.

Attachments: Resolutions (R1) (R2)

On File With Clerk:

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Board Action (If other than "Requested")

Vote: