

COUNTY SANITATION  
DISTRICT



# COUNTY OF SANTA CRUZ

GOVERNMENTAL CENTER

701 OCEAN STREET, SANTA CRUZ, CALIFORNIA 950604070

JOHN A. FANTHAM  
DISTRICT ENGINEER

FAX (831) 454-2089

(931) 454-2160

## AGENDA: JANUARY 12, 1999

December 30, 1998

### BOARD OF DIRECTORS

Davenport County Sanitation District  
701 Ocean Street  
Santa Cruz, California 95060

SUBJECT: DAVENPORT OLDTOWN SEWER RECONSTRUCTION PROJECT  
STATE REVOLVING FUND LOAN PROGRAM  
PROJECT NO. C-06-4329-1 10

Members of the Board:

The Davenport County Sanitation District has been placed on the State Revolving Fund (SRF) priority list for a possible loan in the amount of approximately \$185,000 at 2.6 percent interest to partially fund the subject project. This loan, administered by the State Water Resources Control Board (SWRCB), would supplement a 75 percent project grant from the United States Department of Agriculture, Rural Development, which has been approved. This project has received an allocation of funds for planning and design from the SWRCB's Small Communities Grant Program. As part of the SRF application process, the SWRCB requires that your Board adopt a resolution to establish a dedicated source of revenue to repay the SRF loan and a resolution to establish a capital reserve fund. These two resolutions are required to initiate a process by the SWRCB leading to a loan contract for the project.

The loan repayment will be approximately \$12,000 per year for twenty years. It is recommended that sewer service charge revenue and/or Capital Improvement Program (CIP) contributions from Lone Star Cement Corporation be dedicated as the source of revenue. Negotiations with Lonestar regarding CIP contributions, which are associated with their proposed water service connection permit mitigation measures, are expected to be completed soon.

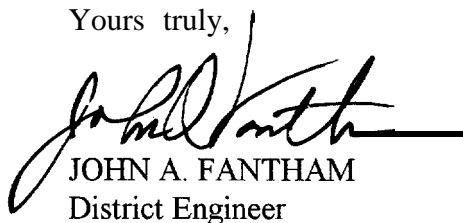
BOARD OF DIRECTORS  
 DAVENPORT COUNTY SANITATION DISTRICT  
 Page -2-

The capital reserve fund requirements state that a minimum of one-half of one percent of the SRF loan (approximately \$925) be deposited into this fund annually for a period of ten years. These funds would come from either sewer service charge revenue or from the Lonestar CIP contributions. All deposits, including interest, shall remain in the fund for the life of the loan contract. At the end of the loan contract, disposition of funds shall be at the District's discretion.

It is therefore recommended that the Board of Directors take the following action:

1. Adopt a resolution establishing a dedicated source of revenue to repay the State Revolving Fund.
2. Adopt a resolution establishing a capital reserve fund.

Yours truly,

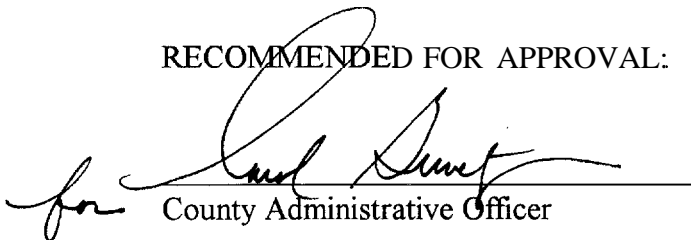


JOHN A. FANTHAM  
 District Engineer

DB:mg

Attachments

RECOMMENDED FOR APPROVAL:



for \_\_\_\_\_  
 County Administrative Officer

copy to: Public Works  
 Lone Star Cement Corporation

BEFORE THE BOARD OF DIRECTORS  
OF THE DAVENPORT COUNTY SANITATION DISTRICT  
STATE OF CALIFORNIA

305

RESOLUTION NO. \_\_\_\_\_

On the motion of Director  
duly seconded by Director  
the following resolution is adopted:

RESOLUTION ESTABLISHING A DEDICATED SOURCE OF REVENUE  
IN ACCORDANCE WITH THE STATE WATER RESOURCES CONTROL BOARD'S  
REQUIREMENTS OF THE STATE REVOLVING FUND LOAN PROGRAM

WHEREAS, the Board of Directors of the Davenport County Sanitation District authorized the District Engineer to apply for a State Revolving Fund loan to fund all or a portion of the cost of expansion and improvement of the wastewater treatment facilities; and

WHEREAS, the State Water Resources Control Board requires, as a condition of the approval of the loan, the establishment of a dedicated source of revenue to repay the State Revolving Fund for Construction of Wastewater Treatment Facilities.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Davenport County Sanitation District that:

1. The Davenport County Sanitation District hereby dedicates sewer service charges and/or Capital Improvement Program contributions from Lone Star Cement Corporation for repayment of any and all State Revolving Fund loans on Project No. C-06-4329-1 10.
2. This dedicated source of revenue shall remain in effect until such loan is fully discharged unless modification or change of such dedication is approved in writing by the State Water Resources Control Board.

PASSED AND ADOPTED by the Board of Directors of the Davenport County Sanitation District, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES : DIRECTORS


NOES: DIRECTORS

ABSENT: DIRECTORS

\_\_\_\_\_  
Chair of said Board

ATTEST: \_\_\_\_\_  
Clerk of said Board

Approved as to form:

  
~~Chief Assistant County Counsel~~  
Distribution: County Counsel  
Public Works

DAVEM

57

BEFORE THE BOARD OF DIRECTORS  
OF THE DAVENPORT COUNTY SANITATION DISTRICT  
STATE OF CALIFORNIA

306

RESOLUTION NO. \_\_\_\_\_

On the motion of Director  
duly seconded by Director  
the following resolution is adopted:

RESOLUTION ESTABLISHING A WASTEWATER CAPITAL RESERVE FUND  
IN ACCORDANCE WITH THE STATE WATER RESOURCES CONTROL BOARD'S  
REQUIREMENTS OF THE STATE REVOLVING FUND LOAN PROGRAM

WHEREAS, the Board of Directors of the Davenport County Sanitation District authorized the District Engineer to apply for a State Revolving Fund loan to fund all or a portion of the cost of expansion and improvement of the wastewater treatment facilities; and

WHEREAS, the State Water Resources Control Board requires, as a condition of the approval of the loan, the establishment of a Wastewater Capital Reserve Fund for future repair or replacement costs.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Davenport County Sanitation District that:

1. A dedicated Wastewater Capital Reserve Fund shall be created; and
2. Said Wastewater Capital Reserve Fund shall be administered by the Board of Directors of the Davenport County Sanitation District as required by the "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities" adopted by the State Water Resources Control Board on June 18, 1998.

PASSED AND ADOPTED by the Board of Directors of the Davenport County Sanitation District, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES: DIRECTORS


NOES: DIRECTORS

ABSENT: DIRECTORS

\_\_\_\_\_  
Chair of said Board

ATTEST: \_\_\_\_\_  
Clerk of said Board

Approved as to form:

  
~~Chief~~ Assistant County Counsel  
Distribution: County Counsel  
Public Works

DAVEM