

RESOLUTION NO. 17-137**A REIMBURSEMENT RESOLUTION OF THE FRESNO COUNTY BOARD OF SUPERVISORS INCREASING THE MAXIMUM PRINCIPAL AMOUNT WITH RESPECT TO FINANCIAL ASSISTANCE FROM THE STATE WATER RESOURCES CONTROL BOARD FOR IMPROVEMENTS TO THE WASTEWATER TREATMENT FACILITY SERVING ZONE D OF COUNTY SERVICE AREA NO. 44**

WHEREAS, the wastewater treatment facility (WWTF) serving the community of Monte Verdi, also known as Zone D of County Service Area 44 (CSA 44D), in the County of Fresno, is not in compliance with Waste Discharge Requirements (WDRs) prescribed by the Regional Water Quality Control Board; and

WHEREAS, the County of Fresno, on behalf of CSA 44D (Agency), desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its wastewater system, designed to bring the WWTF into compliance with the WDRs (Project); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with funds provided by the State of California, acting by and through the SWRCB; and

WHEREAS, the State of California Water Resources Control Board (SWRCB) may finance the Project with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal tax purposes (Obligations), and

WHEREAS, prior to either the issuance of the Obligations or the approval by the SWRCB of the Project Funds the Agency desires to incur certain capital expenditures (Expenditures) with respect to the Project from available moneys of the Agency; and

WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations; and

WHEREAS, the Agency's Board of Supervisors (Board) conducted hearings consistent with Proposition 218 and adopted an assessment by Resolution 13-248, on August 2, 2013, to secure a loan package for the project, based upon the preliminary engineer's estimate (Assessment); and

WHEREAS, Resolution 13-434 was adopted November 5, 2013, with a principal limitation of \$2,506,018, consistent with the limits of the Assessment; and

WHEREAS, on December 17, 2015, a financing package agreement was executed with SWRCB which included a \$1,773,937 CWRSF loan at 1% interest for 20-years, and a \$732,081 WRFPP grant (Agreement); and

WHEREAS, SWRCB indicated that the loan could be increased up to the maximum security that could be provided by the project assessment, if necessary; and

WHEREAS, the Agency's Department of Public Works and Planning (Department) advertised the project and bids were submitted on March 23, 2016 which far exceeded the maximum financing capacity of the loan and grant, and the Board subsequently rejected the bids on May 24, 2016; and

WHEREAS, Department staff have continued to confer with the SWRCB, CSA 44D Community Advisory Committee, and local Homeowners Association to explore possible options for bringing the WWTF into compliance with the adopted WDRs, and SWRCB has agreed to temporarily hold the interest rate and grant agreed under the financing package; and

WHEREAS, it has since been determined that the pursuit of an increased assessment at a longer 30-year term to construct the project would be the best option, and the Department has prepared a supplement to the original engineer's report, designed to update the costs of the project; and

WHEREAS, the Board adopted a Resolution of Proposed Changes by Resolution 17-015 on January 10, 2017, to initiate Proposition 218 proceedings and modify the Assessment; and

WHEREAS, prior to considering this Resolution (as a concurrent action), the Board has conducted the new Proposition 218 hearing, made a finding that there is not a majority protest, and adopted the changes to the assessment.

NOW, THEREFORE, THE FRESNO COUNTY BOARD OF SUPERVISORS DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

Section 1. The Agency hereby restates its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Resource Control Board of the Project Funds.

Section 2. The reasonably expected maximum principal amount of the Project Funds is hereby increased to \$4,877,000, including up to \$4,144,919 of loan funding and up to \$732,081 in grant funding, which under no circumstances will exceed the maximum amount which can be secured by assessments.

Section 3. This Resolution amends Resolution 13-434, as of the date of this resolution.

Section 4. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualifications for reimbursement of Project costs.

Section 5. All the recitals in this Resolution are true and correct and this Agency so finds, determines, and represents.

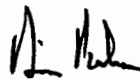
PASSED AND ADOPTED this 28th day of February, 2017, by the following vote of the Fresno County Board of Supervisors, to wit:

AYES: Supervisors Borgeas, Magsig, Mendes, Pacheco, Quintero

NOES: None

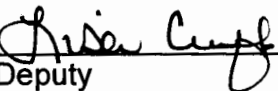
ABSENT: None

County of Fresno



Brian Pacheco, Chairman
Board of Supervisors

ATTEST:
Bernice E. Seidel, Clerk
Board of Supervisors

By: _____
Deputy