

HEBER PUBLIC UTILITY DISTRICT

REPORT TO BOARD OF DIRECTORS

MEETING DATE: March 19, 2015

FROM: Laura Fischer, General Manager

SUBJECT: Adopt Resolution 2015-1 Authorizing the General Manager to Sign Financing Agreement, Amendments, and Certifications for Funding Under the Drinking Water State Revolving Fund (DWSRF); Authorizing the General Manager to Approve Claims for Reimbursement; Authorizing the General Manager to Execute Budget and Expenditure Summary; Authorizing the General Manager to Sign the Final Release Form and the General Manager to Sign the Certification of Project Completion; and Pledging and Dedicating Net Water Revenues From To Payment of DWSRF Financing.

ISSUE:

Shall the Board of Directors adopt Resolution 2015-1 authorizing the General Manager to sign all documents necessary to complete the Drinking Water State Revolving Fund Financing Agreement.

GENERAL MANAGER'S RECOMMENDATION:

It is recommended that the Board of Directors adopt Resolution 2015-1 authoring the General Manager to sign on behalf of the Heber Public Utility District all documents necessary to secure financing from the Department of Water State Revolving Funds.

FISCAL IMPACT:

Upon completion of the documentation and signing the needed financing documents the Heber Public Utility District may receive a \$3,000,000 grant and a \$2,700,000 loan. These numbers are estimates as the actual construction costs are not determined and the finance agreement has not be received by HPUD, however this the amount we applied for in 2013.

BACKGROUND:

Staff submitted the grant and loan application to the State Water Board and the application was deemed complete in July 2013. The State Water Board and the Water Resource Control Board merged and as a result our application was placed on hold and forgotten for over one year.

The application is now moving forward, but since we applied several new laws and funding requirements have been implemented. We now have a Project Manager assigned by the State Water Board, and he has informed us that we have to adopt these three Resolutions. Additionally, he has informed us that we must complete a project timeline, tax questionnaire, and provide new financial statements and budgets.

As soon as we have these documents completed we will submit them to the State Water Board and hope that this will move the finance agreement through to completion.

The Heber Public Utility District Engineer is busy working to get the construction documents updated and complete so that we can go out to bid as soon as the money is made available.

Senator Hueso's office has been following this project closely and they have contacted Mr. Robert Eagle with the State Water Board and have asked that he assist in moving the application through. We greatly appreciate all of Senator Hueso's assistance. The Senator's staff has suggested that once the application has been funded, the District host a reception at which time the Senator and representatives from the State Water Board can present HPUD Board Members with a "Check" for the project.

This event has been tentatively scheduled for either March 30th or April 1st. We only await the great news from the State Water Board that the application is complete and that they have authorized the funding.

DISCUSSION:

The Resolution 2015-1 Authorizes the General Manager to Sign Financing Agreement, Amendments, and Certifications for Funding Under the Drinking Water State Revolving Fund (DWSRF); Authorizes the General Manager to Approve Claims for Reimbursement; Authorizes the General Manager to Execute Budget and Expenditure Summary; Authorizes the General Manager to Sign the Final Release Form and the General Manager to Sign the Certification of Project Completion; and Pledging and Dedicating Net Water Revenues From To Payment of DWSRF Financing.

This is the same signature authority we had during the wastewater treatment plant improvement project.

CONCLUSION:

This Resolution is a requirement from the State Water Board in order to secure the Financing for the Water Treatment Plant Improvement Project.

ALTERNATIVES:

- 1) Do not adopt Resolution 2015-1, which will further delay the project.
- 2) Do not adopt Resolution 2015-1, but direct staff to change any or all of the signature authorities.
- 3) Provide alternate direction to staff regarding the Resolution 2015-1 and the water treatment plant improvement project.

Respectfully Submitted,

Laura Fischer,
General Manager

Attachments: Resolution 2015-1

RESOLUTION NO. 2015-1

RESOLUTION OF THE HEBER PUBLIC UTILITY DISTRICT AUTHORIZING THE GENERAL MANAGER TO SIGN FINANCING AGREEMENT, AMENDMENTS, AND CERTIFICATIONS FOR FUNDING UNDER THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AUTHORIZING THE GENERAL MANAGER TO APPROVE CLAIMS FOR REIMBURSEMENT; AUTHORIZING THE GENERAL MANAGER TO EXECUTE BUDGET AND EXPENDITURE SUMMARY; AUTHORIZING THE GENERAL MANAGER TO SIGN THE FINAL RELEASE FORM AND THE GENERAL MANAGER TO SIGN THE CERTIFICATION OF PROJECT COMPLETION; AND PLEDGING AND DEDICATING NET WATER REVENUES FROM TO PAYMENT OF DWSRF FINANCING.

WHEREAS, the Heber Public Utility District seeks financing from the State Water Resources Control Board for a project commonly known as Water Plant Improvement Project ("Project"); and

WHEREAS, the Heber Public Utility District desires to finance the costs of constructing improvements relating to its water system, including certain treatment facilities; and

WHEREAS, the Heber Public Utility District intends to finance the construction of the Project or portions of the Project with moneys provided by the State Water Resources Control Board; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, THAT:

1. The General Manager is hereby authorized and directed to sign and file, for and on behalf of the Heber Public Utility District a financial assistance application for a financing agreement from the State Water Resources Control Board for the Project;
2. The General Manager or designee is hereby authorized to sign the DWSRF program financing agreement for the Project and any amendments thereto, and provide the assurances, certifications and commitments required therefor;
3. The General Manager or designee is hereby authorized to represent the Heber Public Utility District is carrying out the Heber Public Utility District's responsibilities under the financing agreement, including approving and submitting disbursement requests (including Claims for Reimbursement) or other required documentation, compliance with applicable state and federal laws, and making any other necessary certifications;
4. The Heber Public Utility District does hereby dedicate and pledge its net water revenues and its water enterprise fund to payment of the DWSRF financing for the Project. The Heber Public Utility District commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the Heber Public Utility District has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the Heber Public Utility District's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the Heber Public Utility District commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s). If for any reason, the said source of revenues proves insufficient to satisfy the debt service of the DWSRF obligation, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to meet the DWSRF obligation and to operate and maintain the project.; and

5. The authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The State Water Resources Control Board is authorized to rely upon this Resolution until written notice to the contrary, executed by each of the undersigned, is received by the State Water Resources Control Board. The State Water Resources Control Board shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the Heber Public Utility District or in any other document.

Passed and adopted by Heber Public Utility District Board of Directors) on March 19, 2015, by the following vote:

AYES:	Directors	_____
NOES:	Directors	_____
EXCUSED:	Directors	_____

Eduardo Valdez-Belmonte, President

APPROVE AS TO FORM:

Steven M. Walker, General Counsel

ATTEST:

I, Raquel R. Carrillo, Secretary to the Board of the Heber Public Utility District, County of Imperial, State of California, DO HEREBY CERTIFY that the foregoing resolution was dully passed, approved and adopted by the Board of Directors of the Heber Public Utility District at its regularly scheduled meeting held on the 19th of March 2015.

Raquel Carrillo, Secretary of the Heber Public Utility District