



Pajaro County Sanitation District

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Upon motion of Director Salinas, seconded by Director Parker and carried by those members present, the Board of Directors hereby:

Adopted Resolution No.: 18-002 to:

- a. Authorize the Auditor-Controller to amend the FY 2017-18 Pajaro County Sanitation District (PCSD) Adopted Budget, Fund 151, Appropriation Unit RMA040, to increase appropriations and operating transfers in by \$1,515,000, financed by an operating transfer out of \$1,515,000 from Other Financing Uses General Fund 001, Appropriation Unit CAO017, for immediate and critical repairs in response to winter storm damages (4/5th vote required); and
- b. Authorize the Auditor-Controller to transfer \$1,515,000 from the FY 2017-18 Other Financing Uses General Fund 001, Appropriation Unit CAO017, as a loan, to be repaid with interest at the County Treasury Investment Pool interest rate, to PCSD Fund 151, Appropriation Unit RMA040, where the General Fund has sufficient storm damage repair appropriations available in the adopted budget to fund the transfer (4/5th vote required).

PASSED AND ADOPTED on this 9th day of January 2018, by the following vote, to wit:

AYES: Directors Alejo, Salinas, Phillips and Parker

NOES: None

ABSENT: Director Adams

I, Nicholas E. Chiulos, Acting Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 80 for the meeting January 9, 2018.

Dated: January 9, 2018
File ID: RES 17-209

Nicholas E. Chiulos, Acting Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

**Before the Pajaro County Sanitation District in and for the
State of California**

Resolution No. 18-002

- a. Authorize the Auditor-Controller to amend the FY 2017-18)
Pajaro County Sanitation District (PCSD) Adopted Budget,)
Fund 151, Appropriation Unit RMA040 to increase)
appropriations and operating transfers in by \$1,515,000,)
financed by an operating transfer out of \$1,515,000 from)
Other Financing Uses General Fund 001, Appropriation)
Unit CAO017, for immediate and critical repairs in)
response to winter storm damages (4/5th vote required): and)
- b. Authorize the Auditor-Controller to transfer \$1,515,000 from)
the FY 2017-18 Other Financing Uses General Fund 001,)
Appropriation Unit CAO017, as a loan to be repaid with)
Interest at the County Treasury Investment Pool interest rate, to)
PCSD Fund 151, Appropriation Unit RMA 040, where the)
General Fund has sufficient storm damage repair operating)
transfer appropriations available in their adopted budget to fund)
the transfer (4/5th vote required.....)

WHEREAS, Monterey County experienced multiple severe winter storms during the 2016-2017 winter season consisting of periods of intense rain and high winds;

WHEREAS, the effects of these storms impacted the Pajaro County Sanitation District, causing excessive stormwater inundation into the sewer system, power outages, and the need for emergency and overtime staff and vendor response to mitigate the impact to the storm drain system; and

WHEREAS, the stormwater infiltration may have contributed to the pipe rupture, manhole failure and exacerbated the amount of wastewater released into the environment because the sewer collection system was inundated with stormwater; and

WHEREAS, emergency and overtime response was necessary to provide temporary and permanent repairs to the sewer system; and

WHEREAS, a manhole design and Army Corp of Engineering permitting is currently in process to provide a permanent repair of the manhole; and

WHEREAS, the emergency generator was damaged during the storm requiring the installation of a rental generator and the need to procure a new generator; and

WHEREAS, preliminary water and soil analysis is ongoing and will be used to establish protocol for clean-up and remediation of the affected area; and

WHEREAS, consultants have been identified for the preparation of an independent and impartial Situation Report and Mitigation and Remediation Plan and a Corrective Action Plan to provide clean-up and mitigation services in the affected area; and

WHEREAS, these emergency actions and repairs have been included in the Countywide report to the Monterey County Office of Emergency Services (OES) and have met the threshold of damage to seek state and federal funding; and

WHEREAS, this Project meets County of Monterey Strategic Initiatives related to Health & Human Services, Infrastructure and Public Safety as emergency response during the winter storms, subsequent repairs and equipment replacement are critical to the safe and effective collection of wastewater, and protects the health and safety of property owners and residents living in the Pajaro County Sanitation District.

NOW, THEREFORE, the Monterey County Board of Supervisors acting as the Board of Directors for the Pajaro County Sanitation District hereby resolves to approve the following:

- a. Authorize the Auditor-Controller to amend the FY 2017-18 Pajaro County Sanitation District (PCSD) Adopted Budget, Fund 151, Appropriation Unit RMA040, to increase appropriations and operating transfers in by \$1,515,000, financed by an operating transfer out of \$1,515,000 from Other Financing Uses General Fund 001, Appropriation Unit CAO017, for immediate and critical repairs in response to winter storm damages (4/5th vote required); and
- b. Authorize the Auditor-Controller to transfer \$1,515,000 from the FY 2017-18 Other Financing Uses General Fund 001, Appropriation Unit CAO017, as a loan to be repaid with interest at the County Treasury Investment Pool interest rate, to PCSD Fund 151, Appropriation Unit RMA040, where the General Fund has sufficient storm damage repair appropriations available in the adopted budget to fund the transfer (4/5th vote required).

PASSED AND ADOPTED upon motion of Director Salinas, seconded by Director Parker and carried this 9th day of January 2018, by the following vote, to wit:

AYES: Directors Alejo, Phillips, Salinas, and Parker

NOES: None

ABSENT: Director Adams

I, Nicholas E. Chiulos, Acting Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 80 for the meeting on January 9, 2018.

Dated: January 9, 2018
File Number: RES 17-209

Nicholas E. Chiulos, Acting Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

INTERFUND LOAN AGREEMENT BETWEEN THE COUNTY OF MONTEREY AND THE PAJARO COUNTY SANITATION DISTRICT

This Loan Agreement ("**Agreement**") is executed as of January 9, 2018, between the Pajaro County Sanitation District (PCSD) ("**Borrower**") and the County of Monterey ("**Lender**"). Lender agrees to lend to Borrower, and Borrower agrees to repay to Lender an amount not to exceed the Principal Amount and interest accrued on the unpaid loan balance, in accordance with the following:

1. Purpose of the Loan: To provide funds for use by Borrower, to fund Borrower's costs of response to wastewater release, repairs, generator replacement, mitigation, remediation, and associated expenses. The loan shall account for borrowing between the Pajaro County Sanitation District Fund, Fund No. 151 and the General Fund, Fund No. 001.

2. Principal Loan Amount: Not to exceed One million eight hundred seventy-four thousand two hundred sixty-four and no/100 Dollars (\$1,874,264). The loan will be recorded as receivable to the Lender and payable to the Borrower.

3. Term of the Loan: The term of this loan shall begin one year after a sewer rate increase has been established that includes provisions for loan payback into the rates and the outstanding loan balance is to be repaid by the payoff date established in the rate study.

4. Scheduled Payments: Borrower shall make payments each fiscal year beginning one year after a sewer rate increase has been established and the District's cash balance is at least 10% of its operating expenditure budget. Such payments are due within thirty (30) days following the final closing of the Borrower's Financial Books for each fiscal year. At a minimum, annual Scheduled Payments shall equal the amount of any accrued interest through June 30 of that fiscal year plus a principal payment equal one-twentieth (1/20) of the original principal amount.

5. Repayment Source: Borrower must maintain positive cash balance of at least 10% of its operating expenditure budget to be able to repay the loan; excess cash balance (over the 10%) should be used to make scheduled payments and catch-up payments. Missed scheduled payments shall be reported by the Pajaro County Sanitation District to the Monterey County Board of Supervisors and the District Board annually, no later than 90 days past June 30.

6. Rate of Interest: Simple interest shall accrue annually on June 30 on the outstanding principal loan balance at the variable rates based on the County Treasury Pooled Interest Rate. Loan interest will be recorded as revenue to the Lender and expenditure to the Borrower.

7. General Provisions: This Agreement constitutes the full Agreement by and between the parties and no other representations have been made regarding the contents of this Agreement. This Agreement shall not be amended, modified, or altered in any respect unless such amendment, modification or alteration has been reduced to writing and executed by both parties.

LENDER: County of Monterey

Fund Name: General Fund 001

By:

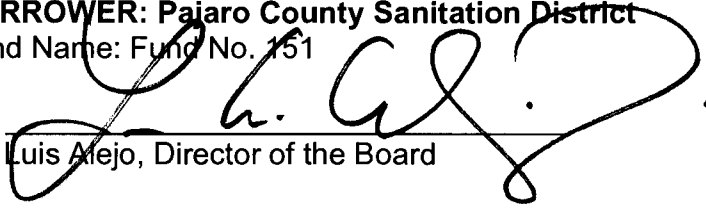

Luis Alejo, Chair of the Board

2/23/18

BORROWER: Pajaro County Sanitation District

Fund Name: Fund No. 151

By:


Luis Alejo, Director of the Board

2/23/18