

DEPARTMENT: Public Works

BY: Jim Petropulos
PHONE: 966-5356

RECOMMENDED ACTION AND JUSTIFICATION:

Authorize the Public Works Director to sign and submit a loan application to United States Department of Agriculture, Rural Development, and sign the letter of conditions and associated loan application documents for the Yosemite West Wastewater Treatment Facility Improvements Project.

The United States Department of Agriculture, Rural Development (USDA) is requiring that this action be taken in order to move forward in the application process for the loan. Upon successful completion of the Proposition 218 process and approval by USDA for funding of of the project the actual loan agreement would then be presented to the Board for final approval.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The California Regional Water Quality Control Board has issued a Cease and Desist Order that requires the Yosemite West Maintenance District to repair the Wastewater Treatment Facility (WWTF) to handle current and future sewage disposal needs. The design for the required WWTF improvements has been completed and the Public Works Department is currently working on the Proposition 218 Assessment to fund the Project. However, a loan or interim funding is required to cover the cost of the improvements, which will be paid for by the property owners through the Proposition 218 Assessment. The United States Department of Agriculture, Rural Development loan is a 40-year loan at an interest rate of approximately 4.5 percent. This is the most favorable loan that staff has been able to obtain. The County has in the past utilized USDA loans for capital projects including the Government Center and the Fleet Maintenance Shop Facility.

This action in no way obligates the Board to accept the loan or proceed with the project. However, if the Proposition 218 assessment successfully passes to fund the project, the USDA loan offers the most favorable conditions of any available financing.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Not authorize the Director to sign and submit the loan application documents. This action would require the Yosemite West Maintenance District to seek financing for the project elsewhere.

Financial Impact? () Yes (x) No Current FY Cost: \$
Budgeted In Current FY? (X) Yes () No () Partially Funded

Annual Recurring Cost: \$

Amount in Budget: \$

List Attachments, number pages consecutively

Additional Funding Needed: \$

Memo dated 6-3-03

Source:

USDA Rural Development water

Internal Transfer _____

E-waste Disposal Programs

Unanticipated Revenue _____ 4/5's vote

Transfer Between Funds _____ 4/5's vote

Contingency _____ 4/5's vote

() General () Other

CLERK'S USE ONLY:

Res. No.: 03-211 Ord. No. _____

Vote - Ayes: 5 Noes: _____

Absent: _____

Approved

() Minute Order Attached () No Action Necessary

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended

No Opinion

Comments:

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

CAO: PHB

COUNTY of MARIPOSA

DEPARTMENT OF PUBLIC WORKS

Divisions of:

- Design & Construction
- Administration
- Operations

4639 Ben Hur Road
Mariposa, CA 95338
(209) 966-5356

June 3, 2003



James J. Petropulos
Director



TO: James J. Petropulos, ^{DST} Director

FROM: Dana Hertfelder, Assistant Director

SUBJECT: United States Department of Agriculture, Rural Development Loan

The current estimated cost for the Yosemite West Wastewater Treatment Plant Upgrades project, excluding the general benefit portion is approximately \$2,700,000. This is the loan amount we are requesting from the United States Department of Agriculture, Rural Development Services (USDARUS). The USDARUS loan is for forty (40) years at an interest rate of approximately 4.6 percent. These terms appear to be the best available at this time for financing the Yosemite West Wastewater Treatment Plant Upgrades Project

USDA

UNITED STATES DEPARTMENT OF AGRICULTURE

Rural Development

Rural Utilities Service

Water and Waste Disposal Programs

The Rural Utilities Service (RUS) administers a water and wastewater loan and grant program to improve the quality of life and promote economic development in rural America. RUS is a new Agency created in October 1994 by the reorganization of the U.S. Department of Agriculture (USDA). The program was previously administered by the Rural Development Administration and the Farmers Home Administration, which were abolished by the reorganization. At the State and local levels, the program is administered by field offices of USDA's Rural Development mission area. RUS is coordinating the Water 2000 initiative, which has as its goal to provide clean, safe and affordable drinking water to all rural homes by the year 2000.

Water and Waste Disposal Direct and Guaranteed Loans

Purpose: Direct loans may be made to develop water and wastewater systems, including solid waste disposal and storm drainage, in rural areas and to cities and towns with a population of 10,000 or less. Funds are available to public entities, such as municipalities, counties, special-purpose districts, and Indian tribes. In addition, funds may be made available to corporations operated on a not-for-profit basis.

Priority will be given to public entities, in areas with less than 5,500 people, to restore a deteriorating water supply, or to improve, enlarge, or modify a water facility or an inadequate waste facility. Also, preference will be given to requests which involve the merging of small facilities and those serving low-income communities. Applicants must be unable to obtain funds from other sources at reasonable rates and terms. The maximum term for all loans is 40 years; however, no repayment period will exceed state statutes or the useful life of the facility. Interest rates may be obtained from Rural Development field offices.

Guaranteed loans may be made for the same purpose as direct loans. They are made and serviced by lenders such as banks and savings and loan associations. Normally, guarantees will not exceed 80 percent on any loss of interest and principal on the loan.

Water and Waste Disposal Grants

Purpose: Reduce water and waste disposal costs to a reasonable level for users of the system. Grants may be made, in some instances, up to 75 percent of eligible project costs. Eligible applicants are the same as for loans.

Technical Assistance and Training Grants

Purpose: Make grants to nonprofit organizations to provide technical assistance and/or training to associations located in rural areas and to cities and towns with a population of 10,000 or less.

Assistance may be provided to identify and evaluate solutions to water and waste disposal problems, to improve the operation and maintenance of existing water and waste disposal facilities, and to assist associations in preparing applications for water and waste disposal facilities.

Solid Waste Management Grants

Purpose: Make grants to public and private nonprofit organizations to provide technical assistance and/or training to associations located in rural areas and to cities and towns with a population of 10,000 or less to reduce or eliminate pollution of water resources, and to improve planning and management of solid waste facilities. Assistance may be provided to enhance operator skills in operations and maintenance, identify threats to water resources, and reduce the solid waste stream.

Rural Water Circuit Ride Technical Assistance

Purpose: Provide on-site technical assistance to help assure cost-effective operation of rural water systems. RUS has assisted rural water systems, via contracting, with day-to-day operational, financial and management problems. The assistance is provided at no charge and may be requested by officials of rural water systems or by Rural Development personnel. It complements supervisory assistance provided by Rural Development personnel.

Applications

Information about the water and waste disposal programs and advice on how to assemble information to determine engineering feasibility, economic soundness, cost estimates, organization, financing and management matters, may be obtained from Rural Development field offices. These offices are usually listed in local telephone directories under "U. S. Department of Agriculture."

For More Information Write

Your local or State USDA Rural Development office (see U.S. Government listing of phone directory), or the National Office at:

USDA Rural Utilities Service
Attention: Dick Mansfield
Stop 1548
Washington, D.C. 20250-1548
Phone: (202) 690-2670
FAX: (202) 720-0718
E-Mail: Dmansfie@rus.usda.gov.

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To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C. 20250, or call 1-800-245-6340 (voice) or (202) 720-1127 (TDD). USDA is an equal employment opportunity employer.

PA 1611

Revised July 1997

*U.S. Government Printing Office: 1997 - 521-422