



RESOLUTION No. _____

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

RESOLUTION APPROVING AN INTERFUND LOAN FROM THE GENERAL FUND BALANCE TO WESTERN COUNTY SOLID WASTE FUND 4117 TO ASSIST WITH POTENTIAL CASH FLOW SHORTAGES RESULTING FROM THE MCCOURTNEY ROAD TRANSFER STATION IMPROVEMENT PROJECT

WHEREAS, on August 27, 2013, the Nevada County Board of Supervisors (the “Board”) adopted Resolution 13-395 making the determination that improvements should be made to the existing solid waste transfer station facility located on McCourtney Road; and

WHEREAS, on December 14, 2021, per Resolution 21-540, the Board accepted construction documents and authorized the solicitation of bids for construction of the McCourtney Road Transfer Station Improvement Project (the “Project”); and

WHEREAS, Project bids were opened on April 8, 2022 in excess of the engineers estimate for the project and available Western County Solid Waste Fund 4117 (the “Fund”) balance, resulting in rejection of all bids; and

WHEREAS, on October 25, 2022, per Resolutions 22-559 and 22-560 the Board declared its intent to pursue the issuance of debt obligations to finance a portion of the Project; and

WHEREAS, the anticipated need for such financing was based on the assumption that final Project bids would continue to exceed available balance in the Fund; and

WHEREAS, the Project was re-bid beginning in November 2022; and bids were opened on January 11th, 2023, with the lowest bid being significantly lower than anticipated; and

WHEREAS, available balance in the Fund is now anticipated to be sufficient to pay for Project costs and ongoing operational costs with a potential short-term cash flow issue, depending on to what extent various cost factors materialize; and

WHEREAS, the amount that may be needed by the Fund to weather any potential cash flow issues is not anticipated to exceed \$3,000,000.00; and

WHEREAS, it is deemed to be in the best interest of the Fund and the County to address this potential issue by making available a short-term loan from the General Fund, to be drawn upon only if needed; and

WHEREAS, the Fund is projected to have sufficient revenues to repay any amount withdrawn from the proposed loan within a period of 5 years or less.

NOW, THEREFORE, BE IT RESOLVED by the Nevada County Board of Supervisors that:

1. Resolutions 22-559 and 22-560 are hereby rescinded.
2. A loan of up to \$3,000,000.00 from the General Fund (the "Loan") to Solid Waste Western Fund 4117 (the "Fund") to assist with financing the McCourtney Road Transfer Station Improvement Project (the "Project") is hereby authorized.
3. The loan may be accessed by the Solid Waste Fund as needed in any amount and with up to two draws per fiscal year, up to the full \$3,000,000.00.
4. The Payment Calculation Date will be September 30, 2024 and each anniversary of that date. The Payment Due Date shall be October 31, 2024 and each anniversary of that date.
5. Beginning October 31, 2024, and Payment Due Date thereafter, the Fund shall make annual loan payments to the General Fund. Each annual payment shall include a payment toward principal in a minimum amount equal to the remaining principal balance, divided by the number of years remaining on the loan, plus all accrued interest from the loan draw date to the payment calculation date. The Fund may pay the entire outstanding balance plus interest on any date prior to the final loan due date.
6. The final payment, including all outstanding principal and interest, shall be made from the Fund to the General Fund no later than October 31, 2028.
7. The Loan shall bear interest at the Treasurer's pooled rate as of the date of any withdrawal of authorized funds.
8. There shall be no penalty to the Fund for payments in excess of the amount designated in item #3 of this Resolution or for early payment of any amount due to the General Fund hereunder.