



NEVADA COUNTY SANITATION DISTRICT NO. 1

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Sean Powers
Community Development Agency Director

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Director of Public Works

NEVADA COUNTY SANITATION DISTRICT NO. 1 BOARD OF DIRECTORS Board Agenda Memo

MEETING DATE: May 14, 2019

TO: Board of Directors

FROM: Daniel Chatigny, Chief Fiscal Administrative Officer

SUBJECT: **Resolution Approving a Loan Agreement Between the County of Nevada and the Nevada County Sanitation District No.1 for a Loan From the General Fund to the Cascade Shores Operations and Maintenance Fund 4734 (4/5ths affirmative vote required)**

RECOMMENDATION: Approve the attached Resolution and Loan Agreement.

FUNDING: The proposed loan amount of \$143,000 impacts the Fiscal Year 2018/19 County General Fund and the Cascade Shores Zone 8 budgets. Repayment of the loan will impact future budget years. The loan will be recorded with a balance sheet transaction that will result in an asset (loan receivable) to the County and a liability (loan payable) to the Sanitation District. Revenue and expense will be budgeted in future years when the loan payments are to be made.

BACKGROUND: On November 4, 2017, the Nevada County Sanitation District No. 1 Board of Directors approved a contract (Resolution (SD17-018)) with Coastland Civil Engineering, Inc. (Coastland) for design and project management services for the Cascade Shores Community Leach Field Project (Project). The initial contract with Coastland included a detailed geological analysis of the proposed leach field site along with a preliminary Soil Evaluation and Feasibility Report for the Project, which determined that additional slope stability investigation and testing of the site area should be performed. A contract amendment with Coastland to accomplish this additional testing is being presented on this same agenda (SR 19-0324).

In order to establish funding for this contract amendment, while maintaining fiscal stability in the Cascade Shores Zone, this resolution requests a loan of County General Funds to the Cascade Shores Zone. Interest on the loan will accrue per annum at the Treasurer's pool rate beginning on the date of disbursement. The Loan Agreement requires full repayment of the principal plus interest to be made within 10 years from the date of disbursement. The District will begin repayment of the loan upon the latter of a) Notice of Completion for the Project; or b) June 30, 2022.

An identical item is being presented to the Nevada County Board of Supervisors for approval (SR 19-0338).

Item Initiated by: Daniel Chatigny, Chief Fiscal Administrative Officer
Approved by: Trisha Tillotson, Director of Public Works