



RESOLUTION No. 19-197

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

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 OPERATIONS AND MAINTENANCE FUND 4734 (4/5 AFFIRMATIVE VOTE REQUIRED)

WHEREAS, the Nevada County Sanitation District No. 1 Cascade Shores Community Leach Field Project is experiencing a need to conduct additional geotechnical studies; and

WHEREAS, there is an immediate need to complete these geotechnical studies; and

WHEREAS, the Cascade Shores Zone does not have the financial ability to cash flow this additional work; and

WHEREAS, when the Cascade Shores Community Leach Field construction project is complete the Cascade Shores Zone will have the ability to repay the General Fund loan; and

WHEREAS, the General Fund has funds available to be loaned for this purpose; and

WHEREAS, a loan from the General Fund to the Cascade Shores Operations and Maintenance Fund (4734) is allowed under Government Code Section 23014; and

WHEREAS, interest on the loan, at the Treasurer's pool rate, will accrue from the date of disbursement; and

WHEREAS, Cascade Shores Zone 8 will begin making loan payments in accordance with Section 2 "Repayment of Loan" of the Loan Agreement.

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

1. Approves a Loan of \$143,000 from the General Fund to Cascade Shores Operations and Maintenance Fund 4734 for the cost of additional geotechnical borings for the proposed Cascade Shores Leach Field Project.
2. The Loan shall bear interest at the Treasurer's pooled rate commencing as of June 1, 2019.
3. The Cascade Shores Zone (Fund 4734) shall make annual loan payments to the General Fund in accordance with the terms set forth in section 2 of the Loan Agreement.

4. All installment payments from Cascade Shores Fund 4734 to the General Fund shall be made on or before August 31st of each fiscal year with said Interfund Loan to be repaid in full no later than June 1, 2029.
5. Directs the Auditor-Controller to make the loan between the General Fund (0101) and the Cascade Shores Operations and Maintenance Fund (4734) in the amount of \$143,000.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 14th day of May, 2019, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Edward Scofield, Dan Miller, Susan K. Hoek and Richard Anderson.

Noes: None.

Absent: None.

Abstain: None.

ATTEST:

JULIE PATTERSON HUNTER
Clerk of the Board of Supervisors

By: _____



5/14/2019 cc: DPW*
AC* (hold)



Richard Anderson, Chair

5/17/2019 cc: DPW*
AC*(release)

LOAN AGREEMENT

THIS AGREEMENT ("Agreement") made and entered into this 14 day of May, 2019 ("Effective Date") by and between the Nevada County Sanitation District Number 1 ("Borrower") and the County of Nevada, a political subdivision of the State of California ("Lender"); collectively referred to herein as "Parties".

WHEREAS, the Nevada County Sanitation District No. 1 Cascade Shores Community Leach Field Project ("Project") is experiencing an immediate need to conduct additional geotechnical studies; and,

WHEREAS, the Cascade Shores Zone currently does not have the financial ability to pay for this additional work; and

WHEREAS, the General Fund has funds available to be loaned for this purpose; and,

WHEREAS, a loan from the General Fund to the Cascade Shores Operations and Maintenance Fund (4734) is authorized by Government Code § 23014.

The Parties agree as follows:

1. Loan Amount. Lender agrees to loan Borrower the principal sum of \$143,000.00 (the "Loan"), together with interest on the outstanding principal amount of the Loan, and in accordance with the terms set forth below.

2. Repayment of Loan.

A. The Parties agree that the first payment is due within 60 days of the latter occurrence of one of the following events ("Trigger Date"):

Option 1. A Notice of Completion is filed for the Project

OR

Option 2. June 30, 2022

B. The initial payment will be calculated at the time of the Trigger Date by calculating the remaining number of years before maturity of the Loan plus accrued interest at that time. For example:

Disbursement date: June 1, 2019

Maturity Date: June 1, 2029*

Trigger Date: June 30, 2022

Remaining number of years to maturity: 7

$(\$143,000 + \text{accrued interest}) / 7 \text{ years} = \text{initial payment due within 60 days of June 30, 2022}$

After the initial payment, the Borrower shall make annual loan payments to the Lender no later than August 31st of the subsequent fiscal years.

*Pursuant to Government Code § 23014, the Borrower shall reimburse the fund for any amount disbursed to the Lender within 10 (ten) years after disbursement, together with interest

3. Interest. The Principal Balance shall bear interest at the Treasurer's pooled rate commencing as of June 1, 2019.

4. **Prepayment.** Borrower has the right to prepay all or any part of the Loan, together with accrued and unpaid interest thereon, at any time without prepayment penalty or premium of any kind.

5. **Assignment.** Borrower shall not assign this Agreement, in whole or in part, without the written consent of Lender.

6. **Amendment.** This Agreement may be amended or modified only by written consent signed by both Parties.

7. **Notices.** Any notice or communication under this Loan must be in writing and sent via certified mail to the following:

NEVADA COUNTY SANITATION DISTRICT NO. 1
950 Maidu Avenue Suite 170
Nevada City, CA 95959

COUNTY OF NEVADA, Attn: CEO Office
950 Maidu Avenue
Nevada City, CA 95959

8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California and venue shall be in the County of Nevada, California.


9. **No Third Party Beneficiaries.** The provisions herein are not intended for the benefit of any third party, but solely for the parties to this Agreement.

10. **Entire Agreement.** This Agreement contains the entire understanding between the Parties.

11. **Time of the Essence.** Time is of the essence in this Agreement, and all transactions contemplated hereby.

IN WITNESS WHEREOF, the Parties executed this Agreement on the dates reflected below.

COUNTY OF NEVADA,
a political subdivision of the State of California

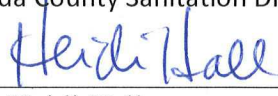
By: 
Richard Anderson
Chairman, Nevada County Board of Supervisors

DATED: 5/14/2019

APPROVED AS TO FORM:

By: 
Alison Barratt-Green
County Counsel

Nevada County Sanitation District Number 1

By: 
Heidi Hall
Vice-Chair Nevada County Sanitation District No. 1 Board of Directors

DATED: 5/14/19