

RESOLUTION NO. 22-135

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF VENTURA TO
APPROVE \$1,000,000 CASH FLOW LOAN FROM COUNTY SERVICE AREA NO. 34 TO
VENTURA COUNTY WATERWORKS DISTRICT NO. 16**

WHEREAS, the Board of Waterworks District No. 16 (WWD 16) approved the award of a construction contract on November 16, 2021 to upgrade the Piru Wastewater Treatment Plant (PWTP) in order to comply with the Los Angeles Regional Water Quality Control Board permit requirements;

WHEREAS, the PWTP upgrade project is funded by a Proposition 84 grant from the State of California and from the County of Ventura's American Rescue Plan Act (ARPA) allocation;

WHEREAS, reimbursement of the Proposition 84 funding from the State of California takes three to four months from submittal of the construction contractor's invoice, requiring WWD 16 to use its cash balance to pay the contractor's invoices to maintain compliance with Government Code 8800(a), which requires payment to the contractor within 30 days of the receipt of a valid invoice for completed work;

WHEREAS, the advanced payment of the contractor from WWD 16's reserves has created a projected operating cash shortfall, requiring a \$1,000,000 cash flow loan in order to support WWD 16's operations and maintenance expenditures until reimbursement from the state is received;

WHEREAS, there are currently \$1.063 million in pending reimbursements from the state that are expected to be received by September 2022;

WHEREAS, there is sufficient revenue from the Proposition 84 grant, the ARPA funding, and WWD 16's sewer service charges to fully refund a \$1,000,000 cash flow loan from County Service Area No. 34 (CSA 34) within one year of debt issuance;

WHEREAS, upon completion of the PWTP upgrade project and receipt of all funding from the state and the County's ARPA allocation, receipt of all sewer service charges from the County tax rolls, repayment of the \$1,000,000 cash flow loan, payment of all pre-existing debt obligations, and payment of all operations and maintenance expenses, WWD 16's cash balance is projected to be \$580,000 by the end of Fiscal Year 2022/2023;

WHEREAS, the Board of Supervisors of the County of Ventura (Board), acting as governing authority for CSA 34 may lend any of its available funds to any county waterworks district pursuant to Government Code section 23010(a);

WHEREAS, the Board may borrow funds not to exceed 85 percent of the WWD 16's anticipated revenue for the fiscal year in which they are borrowed pursuant to Government Code section 23010.2(c)(1); and

WHEREAS, the \$1,000,000 cash flow loan represents 20% of WWD 16's anticipated revenue for the current fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board approves issuance of a \$1,000,000 loan from CSA 34 to WWD 16 with loan repayment to be made within one year of the date of issuance, with interest rate commensurate with the rate of return earned by the Ventura County Treasury Pool.

ADOPTED, upon motion of Supervisor Long, seconded by Supervisor LaVere, and duly carried, the Board hereby approves and adopts this resolution on this 26th day of July 2022.

By: Carmen Ramirez
Chair, Board of Supervisors
County of Ventura

ATTEST:
SEVET JOHNSON
Interim Clerk of the Board of Supervisors
County of Ventura, State of California.

By: Lore Key
Deputy Clerk of the Board

