**RESOLUTION NO. 2013-147**

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NAPA, STATE OF CALIFORNIA WAIVING REPAYMENT OF LOANS MADE TO THE LAKE BERRYESSA RESORT IMPROVEMENT DISTRICT

 **WHEREAS,** the Lake Berryessa Resort Improvement District (LBRID) is a dependent special district formed under the Resort Improvement District Law (Public Resource Code section 13000 *et seq.*) in the 1960s for which the Board of Supervisors is the governing board; and

 **WHEREAS,** LBRID is a remote community that did not realize full build out of its 350 parcels, and consists of only approximately 160 customers; and

 **WHEREAS**, LBRID has suffered failing infrastructure for many years for which LBRID property owners have passed a bonded assessment in order to resolve; however that assessment was not enough to expand storage capacity necessary to withstand winter inflows; and

 **WHEREAS**, the lack of winter storage has resulted unpermitted discharges of treated water, leading to imposed and proposed fines being levied by the Central Valley Regional Water Quality Control Board; and

 **WHEREAS**, LBRID residents have approved special taxes and assessments for the purpose of making infrastructure improvements; and

 **WHEREAS,** LBRID residents approved a rate increase doubling water and sewer rates in order to balance the LBRID operating budget in 2013/2014; and

 **WHEREAS,** however; due to its limited number of customers, the foregoing was nevertheless insufficient to meet its operation and maintenance expenses, resulting in the County loaning LBRID funds in 2009, 2011, and 2012 to balance its budget; and

 **WHEREAS**, LBRID is a designated Disadvantaged Community whose customers pay well over the Environmental Protection Agency’s standard for affordable water and sewer rates; and

 **WHEREAS,** the only way LBRID can repay the County loans would be to further increase its water and sewer rates, which would cause a grave economic hardship to LBRID residents; and

 **WHEREAS,** LBRID would qualify to receive a clean Water State Revolving Fund grant to make the necessary storage capacity improvements except for the existence of the outstanding County loans; and

 **WHEREAS**, LBRID is listed at the top of the Water State Revolving Fund Grant Priority List for funding and forgiveness of the loans is a necessary step to complete the eligibility process;

 **WHEREAS**, the Central Valley Regional Water Quality Control Board supports the forgiveness of these loans as a step towards coming into compliance; and

 **WHEREAS,** the County is authorized to waive repayment of the County loans pursuant to Government Code section 25214.4(c) if it finds that repayment may result in an economic or fiscal hardship to the property owners or residents of LBRID:

 **NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the County of Napa as follows:

1. The foregoing recitals are true and correct.
2. Total outstanding loans to date amount to $1,672,000 plus interest, such interest shall be charged at the rate the County applies to LBRID funds on deposit.
3. LBRID has applied for a grant in the amount of approximately $6 million from the State Revolving Fund that would fund infrastructure of which $500,000 of current loans would qualify for reimbursement.
4. Repayment of the following loans would cause an economic and fiscal hardship to the residents and property owners within LBRID.

 Date of Loan Amount

 April 21, 2009 $ 76,000

 September 29, 2009 $500,000

 May 3, 2011 $345,000

 June 5, 2012 $751,000 ($500,000 to be paid with grant funds)

 Total $1,672,000

1. Waiving repayment of the loans in the total amount of $1,172,000 plus accumulated interest is in the best interest of LBRID because it would allow LBRID to qualify for a grant from the State Revolving Fund of approximately $6,000,000.
2. Repayment of the loan balance of $1,172,000, together with accrued interest, is hereby waived. In the event LBRID is not awarded the grant, the balance of the June 5, 2012 loan of $500,000 shall also be waived.

 **THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED** by the Board of Supervisors of the County of Napa, State of California, at a regular meeting of said Board held on the 3rd day of December, 2013, by the following vote:

 AYES: SUPERVISORS DILLON, CALDWELL, WAGENKNECHT, LUCE and DODD

 NOES: SUPERVISORS NONE

 ABSENT: SUPERVISORS NONE

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 BRAD WAGENKNECHT, Chairman

 Napa County Board of Supervisors

ATTEST: GLADYS I. COIL

Clerk of the Board of Supervisors

**APPROVED BY THE NAPA COUNTY**

**BOARD OF SUPERVISORS**

 Date:

Processed by:

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Deputy Clerk of the Board

**APPROVED AS TO FORM**

Office of County Counsel

By:  *Minh Tran* (Via E-Signature)

Date: November 27, 2013

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Cc\docs\bos\financial\lbrid loan waiver