NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO:	Board of Supervisors
FROM:	Pamela Kindig - Auditor-Controller Auditor - Controller
REPORT BY:	Pamela Kindig, Auditor-Controller, 253-4647
SUBJECT:	Fiscal Agent for Spanish Flat Water District

RECOMMENDATION

Auditor-Controller requests approval of and authorization for the Chair to sign two agreements with Improvement Districts Nos.1 and 2, respectively, of the Spanish Flat Water District, authorizing the Auditor-Controller to act as the fiscal agent for these Improvement Districts in regard to repayment of loans received from the State of California for water treatment plant upgrades and to charge fees as appropriate to recover the cost of providing this service.

EXECUTIVE SUMMARY

The Spanish Flat Water District is required by the State of California to obtain a fiscal agent to handle the processing of user fee surcharges recently approved by the District to repay two 20-year loans obtained by the District's two Improvement Districts from the State Revolving Loan fund as local match for the overall funding required to upgrade the District's water treatment plants at Spanish Flat and Berryessa Pines. The State allows a county auditor to perform this function. The proposed agreements authorize the Napa County Auditor-Controller to serve as the fiscal agent for these loans received by Spanish Flat Water District's Improvement Districts Nos. 1 and 2, with the costs of providing such services to be fully paid by the respective Improvement Districts.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	The two Improvement Districts will each pay the County a $100 set-up fee and $25 per month to cover the County's costs of providing the Improvement Districts' required fiscal agent services.
Is it Mandatory or Discretionary?	Discretionary

Discretionary Justification:	The state requires the Spanish Flat Water District to obtain a fiscal agent to handle the processing of user fee surcharges recently approved by the District.
	Fees paid by the Improvement Districts offset the Auditor's costs of providing the services, thereby helping the General Fund.
Is the general fund affected?	Yes
Future fiscal impact:	The Improvement Districts will pay the fees over the life of the 20-year loans.
Consequences if not approved:	The General Fund will not be receiving the fees.
Additional Information:	None

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Spanish Flat Water District, an independent special district located in the Lake Berryessa area of Napa County, operates drinking water treatment plants at Spanish Flat and Berryessa Pines. To bring both plants fully into compliance with current standards as required by the State of California, the District has developed a project funded by a combination of State loans and grants. Within the last year the District formed two improvement districts, held a successful election in each improvement district to approve the two loans, and completed the proceedings to impose user rate surcharges to repay the loans.

As a final step in the process of obtaining the two loans from the State's Safe Drinking Water Revolving Loan Fund, the District is required by the State of California to obtain a fiscal agent to to process the loan repayments. The State allows a county auditor to perform this function and the Napa County Auditor-Controller is willing to do so. The proposed agreements will authorize the Napa County Auditor-Controller to serve as the fiscal agent for the repayment of these loans received by Spanish Flat Water District's Improvement Districts Nos. 1 and 2. The costs to provide such service will be fully paid by the respective Improvement Districts.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Lorenzo Ziálcita