



## Legislation Text

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**File #:** 19-328, **Version:** 1

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### MEMORANDUM

**TO:** Board of Directors

**FROM:** Jan Coppinger, Administrator  
Dan Janakes, Deputy Administrator- Fiscal

**DATE:** April 16, 2019

**SUBJECT:** Consideration of the Special Districts Administrator's request to initiate an interim loan in the amount of \$493,000 to fund 256.8356.501.80-92, Anderson Springs Sewer, from fund 254.8354.501.80-93, LACOSAN SE, to facilitate payment to contractor K.J. Woods Construction

**EXECUTIVE SUMMARY:** On April 11, 2017, your Board approved the Lake County Sanitation District (LACOSAN) to enter into a financial assistance agreement with the State Water Resource Control Board for the construction of the Anderson Springs Sewer system.

On November 13, 2017, your Board approved a contract award to KJ Woods Construction in the amount of \$6,948,000.00.

Per the grant terms as outlined in State Water Resource Control Board Grant Agreement No. D17-04003, LACOSAN is to submit reimbursement requests to The State Water Resource Control Board for invoices received from the contractor over the course of the construction project. The State has reimbursed LACOSAN for all invoices submitted through January 2019 and payment has been made to K.J. Woods Construction for said invoices.

In late January 2019, the State Water Resource Control Board notified LACOSAN that there would be a delay in issuing reimbursement payments due to the implementation of a new State financial system and they could not provide an estimated timeframe for completion of the project and resumption of reimbursements.

K.J. Woods Construction submitted an invoice to LACOSAN in March 2019 in the amount of \$264,155 that is now due. In order to remain in compliance with State law, LACOSAN is requesting an interim loan of \$493,000 from LACOSAN Southeast, fund 254, to LACOSAN Anderson Springs Sewer, fund 256 to facilitate this invoice payment and to provide additional funds to facilitate anticipated future invoice payments if they become necessary due to any further delay in grant reimbursements from the State.

This interim loan will be reimbursed upon receipt of grant reimbursement funds from the State which is anticipated to occur before the end of FY2019.

**FISCAL IMPACT:**   ☐ None   ☐ Budgeted   ☒ Non-Budgeted  
Estimated Cost: \$493,000  
Amount Budgeted:  
Additional Requested:  
Annual Cost (if planned for future years):

**FISCAL IMPACT (Narrative):** See above

**STAFFING IMPACT (if applicable):** N/A

**RECOMMENDED ACTION:** Authorize the Special Districts Administrator to initiate an interim loan in the amount of \$493,000 to fund 256.8356.501.80-92, Anderson Springs Sewer, from fund 254.8354.501.80-93, LACOSAN SE, to facilitate payment to contractor K.J. Woods Construction.