

OLIVEHURST PUBLIC UTILITY DISTRICT

Our mission is to provide high quality services to enhance our community's quality of life.



BOARD OF DIRECTORS

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GENERAL MANAGER

John Tillotson

August 26, 2022

Terri Daly
Assistant General Manager
Yuba Water Agency
1220 F Street
Marysville, CA 95901

RE: Additional Funding Required for South County Project

Terri,

Per our discussion yesterday afternoon at our meeting I am notifying you of additional funding OPUD will require to continue with the South County Infrastructure Project. I have identified each item below along with the requested amount for each item. Additionally, some of these items will be discussed by my staff and design consultants at the meeting on August 29th at your facility.

1. Grant preparation assistance from OPUD design team - \$350,000. This item is needed to handle the overwhelming amount of required information needed by the funding team (GEI and MC Engineering). This information must be submitted very expeditiously and accurately requiring assistance from the OPUD design consultant team.
2. OPUD pump station number 2 upgrade design - \$250,000. This is to complete the design of the pump station number 2 upgrade for use in the collections system relating to sanitary sewer overflow, SSO, work proposed to be part of the regionalization grant.
3. Endangered species mitigation - \$350,000. This would be for going on the assumption that the species do exist rather than surveying for them (very expensive and time consuming – may not fit with grant schedule) and then mitigating for those species as applicable. This is an estimate at this time.
4. OPUD legal fees for legal agreements with City of Wheatland - \$100,000. This item is necessary to retain the assistance of OPUD contract legal counsel to assist in writing the required agreements for regionalization with the City of Wheatland.

Additionally there is other expedited design work that will need to be completed for the OPUD Wastewater Treatment Facility, WWTF, to prepare the plant for additional flows from Wheatland and the entertainment/industrial zones.

This relates to capital improvements at the plant that the South County Management Team feel are strong candidates for grant funding on the regionalization grant. The cost of this design work, which is likely to be reimbursed by the grant if we receive it, is \$1,500,000. OPUD proposes to fund \$1,000,000 of this cost from our WWTF capacity fee account to be reimbursed through the grant if we receive it. We request the remaining \$500,000 be funded by YWA, also to be reimbursed by the grant if we receive it. I intend to seek my Board's approval for the \$1M in funding at the OPUD September regular Board meeting as this is a very time critical matter. Consider the fact that if we get the grant for this work we would receive roughly \$16M in infrastructure granted by the state.

Total additional funding requested: \$1,550,000

If you have any questions or comments please call or email. Thank You for your consideration!

Sincerely,

A handwritten signature in blue ink, appearing to read "John Tillotson".

John Tillotson, P.E.
General Manager, OPUD

AMENDMENT NO. 3

To the YUBA COUNTY WATER AGENCY AND OLIVEHURST PUBLIC UTILITY DISTRICT GRANT & LOAN AGREEMENT

THIS SECOND AMENDMENT TO AGREEMENT is made this 18th day of October 2022, between Yuba County Water Agency, a local government agency (“Agency”), and Olivehurst Public Utilities District, a local government agency (“Borrower”), who agree as follows:

1. Recitals. This third Amendment is made with reference to the following background recitals:

1.1. On July 22, 2020, the parties entered into a Grant and Loan Agreement to fund the design of infrastructure systems to collect wastewater from and deliver potable water to property in and around the Highway 65 corridor and related costs (the “Agreement”), which is on file in the Agency office.

1.2. On September 15, 2020, the parties agreed to amend the Grant and Loan Agreement increasing the loan amount by \$250,000 and the grant amount by \$250,000 for costs relating to CEQA review, property appraisal/acquisition, and contingency for the potable water and wastewater infrastructure for the sports, entertainment and industrial zones in south Yuba County in and around the Highway 65 corridor.

1.3. On March 16, 2021, the parties agreed to amend the Grant and Loan Agreement a second time in order to provide an additional \$353,236.50 loan and \$ 353,236.50 grant for additional water and wastewater infrastructure design services relating to the Agreement-funded work.

1.4. The parties now desire to amend the Agreement a third time in order to provide an additional \$1,550,000 loan for additional water and wastewater infrastructure design services relating to the Agreement-funded work and supplemented in Exhibit A to this amendment.

2. Amendments to Agreement. The parties amend the Agreement as follows:

2.1. **Agreement section 1.2 is changed to read as follows:** “Borrower seeks financing assistance from Lender so that Borrower may proceed with the infrastructure design work, CEQA, property appraisal/acquisition and contingency for the potable water and wastewater infrastructure. Borrower requests that Lender provide (a) a grant in the sum of \$2,353,236.50 (the “Grant”), and (b) a loan in the amount of \$3,903,236.50 (the “Loan”) to be repaid in Borrower installments.”

2.2. **Agreement section 3.1 is changed to read as follows:** “Lender agrees to loan to Borrower, and Borrower agree to borrow from Lender, a sum not-to-exceed \$3,903,236.50, subject to the terms and conditions of this Agreement. Borrower shall use the funds provided by the Lender for the purposes described in the recitals and for no other purpose. The final Loan amount shall be the final sum total of the Loan funds disbursed by Agency pursuant to section 5 below.”

2.3. **Agreement section 3.2 is changed to read as follows:** “Borrower accepts the

Loan and approves this Agreement with Lender evidencing this indebtedness in the original principal amount of \$3,903,236.50. Borrower promises to pay to Lender, or order, the Loan with interest accruing commencing five years after the date of this Agreement at a rate equal to the average rate of interest earned by funds deposited with the Treasurer of Yuba County during the preceding twelve (12) months of each year. The interest rate will be adjusted annually on June 30th. Borrower will repay the Loan principal and interest balance in full by June 30, 2030. Borrower may fully repay the principal balance and any accrued interest at any time, without prepayment penalty.”

3. No Effect on Other Provisions. Except for the amendments in section 2, the remaining provisions of the Agreement are unaffected and remain in full force and effect.

YUBA COUNTY WATER AGENCY

OLIVEHURST PUBLIC UTILITY DISTRICT

By: _____
Nicholas Whittlesey, Jr.,
General Manager

By: _____
John Tillotson, General Manager

Date: _____

Date: _____

Exhibit A to Amendment 3
Letter from Borrower requesting amendment to grant and loan agreement