Sweetwater Springs Water District

ORIGINAL

To: Board of Directors **Agenda Item No.** V-J

From: Chuck Howell, General Manager **Meeting Date:** February, 7 2008

Subject: Discussion/Action re: CIP Phase IV, and Other Sources of Funding

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Recommended Action: This item was placed on the agenda as a Discussion/Action item to update the Board on my progress with relating to the Districts request regarding funding sources identified as alternatives to using District Reserves for CIP projects, and my conversations with Brandis Tallman LLC regarding private placement funding.

Fiscal Impact: $983,500 for FY 07/09.

Discussion:

1. At their meeting of 12-11-07 the CBOS **approved** our request for funding.
2. On January 15, 2008 the District entered into a Redevelopment Funding Agreement wit the Sonoma County Community Redevelopment Commission.
3. I am working on preparing an RFP for Engineering Service, and Construction Management that I expect to go out within the next week.
4. I have additionally scheduled a presentation by the Firm of Brandis & Tallman regardin the market for financing our share of the projected project costs to be presented at the Board Meeting of March 6, 2008.

I have additionally had numerous conversations with Brandis Tallman regarding the District's potential needs for private placement loan funding. Interest rates are relatively unstable right now, and with the turmoil in the investment market at this time, there can always be fluctuation of rates. Presently rates are between 4.75 and 5.1% interest. The Board will have to make a decision to either finance the Districts share of the $1.967M or use District Reserve Funding. I will be using SERF reserves until the Board makes a final decision as to when to finance. I will come back with a recommendation at the March meeting.