



County of Sonoma

State of California

Date: April 30, 2024

Item Number: _____

Resolution Number: _____

4/5 Vote Required

**Resolution Of The Board Of Supervisors Of The County Of Sonoma, State Of California,
Amending and Restating an Intradepartmental Revolving Credit Line for the Department of
Public Infrastructure to Facilitate Grant-Reimbursable Road Repair Projects**

Whereas, since 2017, the County has suffered multiple floods and wildfires, which have caused extensive damage to County roads, bridges and other public facilities maintained by the Department of Public Infrastructure (the “Department”); and

Whereas, much of the repair work necessitated by these disasters is eligible for federal and state funding, including reimbursement from the Federal Emergency Management Agency and the California Governor’s Office of Emergency Services; and

Whereas, these federal and state funding sources typically utilize a cost reimbursement approach and therefore the disaster repair projects require initial funding from local sources; and

Whereas, given the number of planned disaster repair projects, the Department needs working capital beyond what is currently available in its Road Fund (11051) to provide initial funding for the projects until reimbursement is received from federal and state funding sources; and

Whereas, the Department manages the Former Rural Landfills Fund (41122), which currently has approximately \$14,800,000 in cash reserves, and the full extent of these reserves are unlikely to be needed in the near term; and

Whereas, Government Code Section 25252 allows the Board to authorize the County Auditor to transfer money between funds under the Board’s control; and

Whereas, it is in the best interest of the County to allow the transfer of funds from the Former Rural Landfills Fund (41122) to the Road Fund (11051) through a revolving credit line to provide short-term funding for disaster repair projects;

Whereas, on May 25, 2021, by Resolution No. 21-0225, the Board established an

intradepartmental revolving credit line, which it desires to amend and restate by this Resolution to increase the credit line's flexibility to cover projects that have not yet received a funding commitment.

Now, Therefore, Be It Resolved that the County Auditor and the Director of the Department are hereby authorized and directed to establish a revolving credit line subject to the following terms (the "Revolving Credit Line"):

1. Purpose. The proceeds of the cash advances under this Revolving Credit Line shall be used exclusively for funding projects undertaken by the Department to repair roads, bridges, and other public facilities damaged by fires, floods and other declared disasters for which are eligible for reimbursement from a state and/or federal funding source.
2. Lender Fund. The funds will be made available from the Former Rural Landfills Fund (41122) (the "Lender Fund").
3. Borrower Fund. The funds will be deposited in the Road Fund (11051) (the "Borrower Fund").
4. Revolving Credit Line. A revolving credit line is hereby established in favor of the Borrower Fund under which the Lender Fund will extend credit to the Borrower Fund as requested from time to time until June 30, 2026 (the "Credit Termination Date") by way of cash advances (each, a "Loan"). Each Loan shall be in such amount as the Borrower Fund may request, but the aggregate principal amount of all Loans at any one time outstanding shall not exceed \$10,000,000 (the "Commitment"). The Borrower Fund may obtain Loans, and repay without penalty and obtain further Loans, from the date of this Resolution until the Credit Termination Date defined above, in either the full amount of the Commitment or any lesser sum.
5. Interest Rate. Borrower Fund agrees to pay (on a quarterly basis as set forth in Section 6 below) simple interest on the outstanding principal balance of each Loan at an initial interest rate equal to the most recently published quarterly earnings rate of the Sonoma County Investment Pool as of the date of the Loan and adjusted quarterly (on 7/1, 10/1, 1/1 and 4/1) to the published quarterly earnings rate of the Sonoma County Investment Pool (the "Interest Rate").
6. Interest Payments. Borrower Fund shall pay interest on a quarterly basis on the last day of each quarter (9/30, 12/31, 3/31 and 6/30), commencing on the last day of the quarter in which the first Loan is made and continuing while principal is outstanding until June 30, 2028 (the "Maturity Date").
7. Principal Payments. Borrower Fund shall make payments towards the principal due to Lender Fund from time to time as funds become available. The Loans may be prepaid in whole or in part without penalty at any time.

8. Balance. The balance of all unpaid principal plus any accrued interest shall be due from Borrower Fund on or before the Maturity Date.

9. Source of Interest Payments. The source of interest payments shall be unrestricted funds available to the Road Fund, including but not limited to revenues from parking fines, vehicle fines, and contributions from the General Fund.

10. Source of Principal Payments. The source of principal payments shall be reimbursements from federal and state funding sources, including but not limited to the Federal Emergency Management Agency, the California Governor's Office of Emergency Services, the Federal Highway Administration, appropriations from HUTA and SB1, and other available resources.

11. Requests for Credit. With respect to each Loan, the Roads Division, on behalf of the Borrower Fund, shall deliver to the Refuse Division, on behalf of the Lender Fund, a written request, which shall identify the sum requested and the project(s) for which the sum is requested.

12. Acceleration. If it can be reasonably anticipated by Lender Fund that the existing balance of the Lender Fund is inadequate to fund projects and/or liabilities for which the Lender Fund exists, Lender Fund, at its option and upon not less than ninety (90) days' notice to Borrower Fund, may declare the entire unpaid principal balance of the Loans and all accrued interest thereon to be due and payable.

13. Administrative Costs. Costs reasonably incurred by County staff related to the administration of this Revolving Credit Line shall be the responsibility of the Roads Division.

14. Oversight. The County Auditor shall, from time to time and no less than once a year, review all Loans issued hereunder and related payments made, and may request such assurances as may be necessary or appropriate from the Department to ensure that all terms and conditions of this authorization are faithfully executed.

And, Be It Further Resolved that the Director of the Department is hereby authorized to implement procedures to facilitate the Revolving Credit Line, provided such procedures are consistent with this Resolution and are approved by County Counsel and the County Auditor.

Supervisors:

Gorin: Coursey: Gore: Hopkins: Rabbit:

Ayes: Noes: Absent: Abstain:

So Ordered.