

**COUNTY OF SAN MATEO**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

**DATE** January 11, 1983

**TO:** The Honorable Mayor and Members of the Council  
**FROM:** Victor V. James, Jr.; Administrative Officer  
**SUBJECT:** CONSIDERATION OF AMENDMENT TO AGREEMENT - EAST PALO ALTO WATERWORKS DISTRICT AND STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES

The recommendation is that Council approve the amendment to the agreement between the East Palo Alto Waterworks District and State of California, Department of Water Resources.

VVJ/jk

COUNTY OF SAN MATEO  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE January 11, 1983

TO: Victor V. James, Jr., Administrative Officer  
FROM: Russell V. Averhart, Management Analyst *RA*  
SUBJECT: CONSIDERATION OF AMENDMENT TO AGREEMENT - EAST PALO ALTO WATERWORKS DISTRICT AND STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES

BACKGROUND

The East Palo Alto County Waterworks District is requesting that the Board of Supervisors adopt a resolution authorizing an amendment to an existing contract between the District and the State Department of Water Resources. The purpose of the amendment is to revise the completion date of Water District projects financed pursuant to a loan obtained from the State.

In March 1980, the Water District entered into an agreement with the State to obtain approximately \$589,000 to finance the installation of new water mains at four project areas in East Palo Alto. The project areas included Willow Road, Newbridge Street, and Bay Road. The original agreement established a project completion date at not later than August 31, 1983. However, the project was completed during November 1982. The loan is for thirty years at 5½ percent interest on the outstanding balance.

COUNCIL OPTIONS

1. Approve the amendment to the agreement between the East Palo Alto County Waterworks District and the State of California, Department of Water Resources.
2. Decline to approve the aforementioned.

RATIONALE

The proposed amendment to the original agreement will establish a new project completion date of January 1, 1983. This will allow the Water District to begin repaying the loan immediately, since repayments can commence only in the month of January following project completion. Thus, the Water District will not pay one year interest on the total loan by beginning payments now instead of January 1, 1984. The District has indicated that it is able to finance the loan payments without raising water rates to consumers. The State has already executed its amendment to the agreement.

RVA/jk

COUNTY OF SAN MATEO

INTER-DEPARTMENTAL CORRESPONDENCE

DATE December 23, 1982

**TO:** HONORABLE BOARD OF SUPERVISORS  
**FROM:** DIRECTOR OF PUBLIC WORKS  
**SUBJECT:** AMENDMENT TO AGREEMENT - EAST PALO ALTO COUNTY WATERWORKS DISTRICT AND THE STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES

RECOMMENDATION: That you adopt a resolution authorizing an amendment to the existing Waterworks District-State Agreement. The proposed amendment revises the completion date of water district projects financed pursuant to the agreement.

DISCUSSION

Your Board, as the governing board of the East Palo Alto Waterworks District, entered into an agreement with the California Department of Water Resources for a loan to improve the water district facilities to meet minimum safe drinking water standards. Under this agreement, the project completion date was established at not later than August 31, 1983. The project now is complete and a new project completion date of January 1, 1983, has been agreed to verbally with the Water Resources staff.

FISCAL IMPACT

It is to the Water District's benefit to commence repaying the loan as soon as possible. Interest is being charged on the total money borrowed since beginning the project in March, 1980, and repayments can commence only in the month of January following completion of the project. By revising the project completion date, we are able to commence repayment in January, 1983. This will avoid paying interest for one year on the total loan. The District is able to finance these payments without raising water rates. There is no impact to the county General Fund.

**DATE RECEIVED**

JAN 3 1982

**East Palo Alto Municipal Council**

Board of Supervisors  
EPA Waterworks Agreement  
December 23, 1982

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OTHER AFFECTED AGENCIES

The Department of Water Resources has already executed the amendment to the agreement. Both the amendment and a form of resolution authorizing execution of the amendment have been approved as to form by the District Attorney's office.

*Robert L. Sans*

ROBERT L. SANS

RLS:EHB:lg  
Encl. - Proposed Resolution  
Amendment to Agreement  
cc: District Attorney  
EPA Municipal Council