

# City of Hesperia

## STAFF REPORT



**DATE:** June 6, 2017

**TO:** Chair and Board Members, Hesperia Water District

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Director of Development Services  
David R. Burkett, Project Construction Manager

**SUBJECT:** Adopt Resolution HWD 2017-012 Designating Authorized Representatives as Signatories on State Revolving Fund Loan Reimbursement Requests for the Recycled Water System Project, C.O. No. 8087

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### RECOMMENDED ACTION

It is recommended that the Board of Directors (Board) of the Hesperia Water District adopt Resolution HWD 2017-012 designating the City's Director of Development Services or the Project Construction Manager as signatories on State Revolving Fund Loan budget and claim forms or reimbursement requests related to reimbursement of expenditures on the Recycled Water System Project, C.O. No. 8087.

### BACKGROUND

The Victor Valley Wastewater Reclamation Authority (VWVRA) has begun construction on the Hesperia Sub-Regional Water Reclamation Plant (HSWRP). This project is taking approximately 24 months to construct and is expected to be completed in the summer of 2017. Upon completion the HSWRP will be capable of supplying approximately one million gallons (MG) per day of recycled water, which can be used for irrigation purposes. In order to utilize this resource, the District must build a distribution system to convey the reclaimed water to potential users. Using the District's Recycled Water Master Plan as a guide, staff has defined an alignment for the first phase of the distribution system. The primary user under this first phase will be the Hesperia Golf Course, but many other users can be served as well, including parks, schools, and the Hesperia Civic Center Complex. The first phase of the distribution system will include approximately 8 miles of "purple" pipe, a 2.5 million gallon water storage tank, and a booster station necessary to provide the required pressures to operate large irrigation systems.

On June 21, 2016, the City Council and Board of Directors of the Hesperia Water District adopted the Fiscal Year 2016-17 Capital Improvement Program (CIP) Budget that included funding for the Recycled Water System Project (C.O. No. 8087).

### ISSUES/ANALYSIS

The District has received a low-interest loan from the State Water Resources Control Board (SWRCB) through the State Revolving Fund (SRF) to assist with construction of the new recycled water system. The District is required, as a condition of the loan agreement, to designate an authorized representative by title as the signatory on reimbursement claim forms submitted for reimbursement of expenditures related to the project. The terms of the agreement

require the City to make payment on eligible project costs up front and then subsequently submit claim forms to the SWRCB for reimbursement of such costs.

As stipulated in the *Policy for Implementing the Drinking Water State Revolving Fund*, the SWRCB will not process any reimbursement requests until the Board designates a signatory. Staff is recommending that the Board adopt Resolution HWD 2017-012 designating the Director of Development Services or the Project Construction Manager as Authorized Representatives and signatories to all budget and claim forms or reimbursement requests submitted to the SWRCB that are related to the Recycled Water System Project, C.O. No. 8087.

### **FISCAL IMPACT**

Adoption of Resolution HWD 2017-012 has no fiscal impact on the City. However, funds for construction of the project are included in the adopted FY 2016-17 Capital Improvement Program Budget under Fund 701 – Water Capital (Account No. 701-29-800-8087-7500).

### **ALTERNATIVE(S)**

1. Provide alternative direction to staff

### **ATTACHMENT(S)**

1. Resolution HWD 2017-012