

SECTION 1511 CERTIFICATION

The authorized representative of the California Department of Public Health hereby certifies, and/or affirms previous certification(s), that this Project has received the full review and vetting required by law and that such representative accepts responsibility that the Project is an appropriate use of taxpayer dollars. Subject to the provisions of this Agreement, the following general description is provided in order to comply with Section 1511 of the American Recovery and Reinvestment Act of 2009 (ARRA).

Applicant Name: Capell Valley Estates

Project Number: 2800543-003

DUNS Number: 840376610

Project description: The existing water system is treated with Diatomaceous Earth filter and liquid chlorine which is not meeting CDPH standards. The proposed project includes replacing the existing roughing filter and ozone generator; adding a potassium permanganate injection equipment and granular activated carbon absorption unit; upgrade the existing UV unit, and repair or replace the broken piping and hardware.

Estimated total cost of the Project: \$502,970

Type of assistance: 75% (Seventy-Five Percent) Forgiveness of Principal

Interest Rate: Rate of Interest 0% with a Negative Interest Rate of 11.1499%

Estimated amount of ARRA funds to be used: \$502,970

Forgiveness of Principal: \$377,227.50

Loan Amount: \$125,742.50

Rufus B. Howell

Rufus B. Howell, Deputy Director
Center for Environmental Health

10/13/09

(Date)



California Department of Public Health
MEMORANDUM

DATE: September 20, 2009

TO: Leah Godsey Walker, Chief
Drinking Water Technical Programs Branch

FROM:  Addie Aguirre, Chief
Safe Drinking Water State Revolving Fund Administration Section

SUBJECT: Recommendation to Authorize Funding Agreement to **Capell Valley Estates**,
Project No. **2800543-003** for Funding under Safe Drinking Water State Revolving
Fund, American Recovery and Reinvestment Act (ARRA)

The California Department of Public Health (CDPH) has completed its evaluation of the above referenced project for funding under Safe Drinking Water State Revolving Fund, American Recovery and Reinvestment Act (ARRA). It is recommended to authorize a funding agreement for this project.

The following information should be included in the Funding Agreement:

1. Supplier Legal Name: **Joe Family "B" Limited Partnership**
2. Project Number: **2800543-003**
3. Supplier is a **Private Corporation** in the County of **Mendocino**, State of California.
4. The purpose of the funding is to assist in financing a project which will enable Supplier to meet safe drinking water standards.
5. The total ARRA project cost is estimated to be **\$502,970** of which **\$502,970** is considered ARRA total eligible project costs.
Type of Assistance: **75%** (Seventy-Five Percent) Forgiveness of Principal
6. Total ARRA fundable cost **\$502,970**
Forgiveness of Principal: **\$377,227.50**
Loan amount: **\$125,742.50**
7. The Supplier's cost for this project is estimated to be **\$0**.
8. The reasonably expected useful life of the project facilities is **20** years.
9. Supplier's Grant Administrator shall be its' **General Partner**.

10. Supplier's Official Notices shall be sent to:

**Joe Family "B" Limited Partnership
General Partner
PO Box 5003
Walnut Creek, CA 94596**

11. The Project shall be constructed in accordance with the plans and specifications approved by State on **September 18, 2009**.

12. Supplier shall complete the project no later than **December 31, 2010**.

13. Rate of Interest: **0%** with a negative interest rate of **11.1499%**

14. Term of Loan: **20 years**

The Funding Agreement should contain the following Special Conditions

1. The Supplier shall notify CDPH's **Mendocino** District Office when the project construction is fifty percent (50%) complete.
2. The Supplier shall notify CDPH's **Mendocino** District Office when construction is completed and prior to any start-up testing of the treatment facilities.
3. The Supplier shall submit a permit amendment application to the CDPH's **Mendocino** District Office no later than six months after the certification of project completion.
4. Notwithstanding any term or condition to the contrary in the agreement, including but not limited to Article A-8, the Supplier may place a project facility into operation prior to completion of the Project if prior written approval is obtained from the CDPH **Mendocino** District Office.
5. The Supplier should secure the ARRA Loan on parity with the DWSRF Loan and covenant to establish rates and charges in amounts sufficient to generate net income equal to at least 1.20x all outstanding (revenue-supported) debt.

cc: Bruce Burton, District Engineer
Kim Wilhelm, Regional Engineer
Addie Aguirre
Anne Novak
Karen Hilliard
Mike Zanolli
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Noel Gordon