

**SUBMITTAL TO THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

209B



FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
November 25, 2014

SUBJECT: Authorize and Approve a Temporary Transfer of Funds from Zone 2 Special Revenue Fund 25120 for East County Detention Center (ECDC); All Districts; [\$20,000,000] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution F2014-46 authorizing and approving a temporary transfer of District Special Revenue funds to the County Capital Improvement Fund 30702; and
2. Authorize the Auditor-Controller to transfer \$20 million from the District's Special Revenue Fund 25120 as required for East County Detention Center related construction projects into the County's Capital Improvement Fund 30702.

BACKGROUND:

Summary

In July 2013, the Board of Supervisors approved a cash loan to bridge the need for cash to cover on-going construction costs and the bond sale for the ECDC. With the delay in inspections by the State, the County's cash need exceeded the previous loan amount. The County cannot sell bonds until bids are received to get an exact cost of the project. In the interim, it is requested that the District's Board of Supervisors approve an additional \$20 million "bridge loan" from the District. This loan, as well as the Waste loan, will be repaid from bond proceeds once sold.

(Continued on pg. 2)

JR:mc
P8/165779

Warren D. Williams
WARREN D. WILLIAMS
General Manager-Chief Engineer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 20,000,000	\$ N/A	\$ 20,000,000	\$ N/A	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET DISTRICT COST	\$ N/A	\$ N/A	\$ N/A	\$	

SOURCE OF FUNDS: 118100 25120 947420	Budget Adjustment: No
Zone 2 Construction/Maintenance Fund - Due from Other Govts	For Fiscal Year: 2014-15

C.E.O. RECOMMENDATION:

APPROVE

BY: *Steven C. Horn*
Steven C. Horn

County Executive Office Signature

MINUTES OF THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT

On motion of Supervisor Benoit, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Stone and Benoit
Nays: None
Absent: Tavaglione and Ashley
Date: November 24, 2014
xc: Flood, Auditor

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 7/30/13 12-1C | District: ALL | Agenda Number:

11-4

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Susana Garcia-Bocanegra* 11/18/14
 Susana Garcia-Bocanegra

 FISCAL PROCEDURES APPROVED
 JEANINE J. REY, FINANCE DIRECTOR
 BY: *Jeanine J. Rey* 11/19/14
 JEANINE J. REY

 FORM APPROVED COUNTY COUNSEL
 11/19/14
 DATE
 BY: *GREGORY P. PRIAMOS*
 GREGORY P. PRIAMOS

 A-30
 4/5 Vote
 Positions Added
 Change Order

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FORM 11: Authorize and Approve a Temporary Transfer of Funds from Zone 2 Special Revenue Fund 25120 for East County Detention Center (ECDC); All Districts; [\$20,000,000] (Vote on Separately)

DATE: November 25, 2014

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

This cash loan will save a significant amount of interest costs versus current interest rates on bonds. The loan will be repaid with interest pursuant to Resolution F2014-46 once the related bonds have been issued. The bond financing will occur approximately 4-6 months from now. It is beneficial to utilize this cash loan for two reasons. One, the construction of the jail will not occur for up to six (6) months and if the financing were to occur now the County would potentially pay 5% interest while funds sit in the accounts. Two, the County has already begun projects necessary to clear the way for the jail construction and requires additional funds to bridge the gap between the on-going construction costs and the bond sale.

It is recommended that the \$20 million be loaned to the County's Capital Improvement Fund 30702 to be repaid in six (6) months from the bond financing proceeds. The current fiscal year cost estimate is the County Treasurer's pool rate interest cost.

Impact on Citizens and Businesses

This loan will be fully reimbursed from bond proceeds. No additional costs have been added to the project.

SUPPLEMENTAL:

Additional Fiscal Information

There is no cost to the District associated with this loan at this time.

JR:mc
P8/165779

Board of Supervisors

Riverside County Flood Control
and Water Conservation District

RESOLUTION NO. F2014-46

A RESOLUTION OF THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT BOARD OF SUPERVISORS
AUTHORIZING AND APPROVING A TEMPORARY TRANSFER OF
RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
ZONE 2 SPECIAL REVENUE FUNDS TO THE COUNTY CAPITAL IMPROVEMENT FUND 30702

WHEREAS, on March 27, 2012, in accordance with agenda item 3.19, the Riverside County Board of Supervisors accepted a funding award from the Corrections Standards Authority in the amount of \$100,000,000 from the 2011 Local Jail Construction Financing Program (AB900 – Phase II); and

WHEREAS, the remainder of the funding for the East County Detention Center (ECDC) is to come from bond financing. It is now requested that the County Capital Improvement Fund 30702 receive a temporary loan from the Riverside County Flood Control and Water Conservation District Zone 2 Special Revenue Fund in the amount of twenty million dollars (\$20,000,000) to bridge the gap between the start of construction and the bond financing; and

WHEREAS, California Government Code Section 25252 authorizes the Board of Supervisors to establish and abolish those funds necessary for the proper transaction of the business of the County and further provide that the Board of Supervisors may authorize the County Auditor to perform this function; and

WHEREAS, California Government Code Section 25252 authorizes the Board of Supervisors to make transfers from one fund to another as the public interest requires and further provide that the Board may, by resolution, authorize the County Auditor to make such transfers from one fund to another when the Board of Supervisors has authority over each fund; and

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]*

1 WHEREAS, the Board of Supervisors has authority over the Riverside County Flood
2 Control and Water Conservation District Zone 2 Special Revenue Fund and the County Capital
3 Improvement Fund 30702 and the public interest requires a temporary transfer to be made from the
4 Riverside County Flood Control and Water Conservation District Zone 2 Special Revenue Fund to the
5 County Capital Improvement Fund 30702 in the amount of twenty million dollars (\$20,000,000); and

6
7 WHEREAS, California case law [*Auerbach v. Board of Supervisors of County of Los*
8 *Angeles*, 71 Cal. App. 4th 1427 (1999)] establishes the right of counties to temporarily transfer and loan
9 money between funds until said monies are needed to be spent for their original, intended purpose; and

10 WHEREAS, the twenty million dollars (\$20,000,000) to be transferred from the Riverside
11 County Flood Control and Water Conservation District Zone 2 Special Revenue Fund to the County Capital
12 Improvement Fund 30702 is not intended to be spent for its original, intended purpose for at least six (6)
13 months and the temporary transfer is to be repaid, with interest, to the Riverside County Flood Control and
14 Water Conservation District Zone 2 Special Revenue Fund from the County Capital Improvement Fund
15 30702 before said twenty million dollars (\$20,000,000) is needed to be spent for its original, intended
16 purpose.
17

18
19 NOW, THEREFORE, BE IT RESOLVED by the Riverside County Flood Control and
20 Water Conservation District Board of Supervisors assembled in regular session as follows:

- 21 1. The above recitals are true and correct.
22 2. The Auditor/Controller of the County is hereby authorized and directed to make a
23 temporary transfer of twenty million dollars (\$20,000,000) from the Riverside County Flood Control and
24 Water Conservation District Zone 2 Special Revenue Fund 25120 to the County Capital Improvement Fund
25 30702. In addition, the Auditor/Controller of the County is hereby authorized and directed to make the
26 necessary journal entries and to take such further acts as are necessary or convenient to effect the temporary
27 transfer and repayment as set forth herein.
28

