

## 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: Garrapata Water Company, Inc.

Project Number: 2701257-003

DUNS Number: 053378241

Project description: The project includes the following major components: One replacement well pump, one Strainrite water filtration system (rated at 60 gallons per minute), one disinfection system (sodium hypochlorite), two 32,000 gallon bolted steel storage tanks, site fencing, approximately 870 feet of piping to connect the treatment plant to the distribution system, and ancillary electrical, mechanical, and control equipment. The project is designed to provide approved treatment on a source that has been deemed groundwater under the direct influence of surface water (GWUDI).

Estimated total cost of the Project: \$459,250

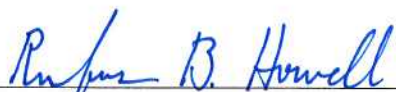
Type of assistance: 75% (Seventy-Five Percent) Forgiveness of Principal

Interest Rate: Rate of Interest 2.5017% with a negative interest rate of 9.420918%

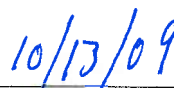
Estimated amount of ARRA funds to be used: \$459,250

Forgiveness of Principal: \$344,438

Loan Amount: \$114,812



Rufus B. Howell, Deputy Director  
Center for Environmental Health



(Date)




California Department of Public Health  
**MEMORANDUM**

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**DATE:** September 29, 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 **Garrapata Water Company, Inc.**, Project No. **2701257-003** 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: **Garrapata Water Company, Inc.**
2. Project Number: **2701257-003**
3. Supplier is a **Corporation** in the County of **Monterey**, 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 **\$459,250** of which **\$459,250** is considered ARRA total eligible project costs.  
Type of Assistance: **75% (Seventy-Five Percent) Forgiveness of Principal**
6. Total ARRA fundable cost **\$459,250**.  
Forgiveness of Principal: **\$344,438**  
Loan Amount: **\$114,812**
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' **Manager**.

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

**Garrapata Water Company, Inc.  
Manager  
36652 Highway 1, Coast Route  
Monterey, CA 93940-9723**

11. The Project shall be constructed in accordance with the plans and specifications approved by State on **June 17, 2009**.

12. Supplier shall complete the project no later than **July 31, 2012**.

13. Rate of Interest: **2.5017% with a negative interest rate of 9.420918%**.

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

**The Funding Agreement should contain the following Special Conditions**

1. Any loan should be accompanied by a covenant to establish rates and charges in amounts sufficient to generate net revenues of 1.2 times total debt service.
2. Under Article C: "Supplier expressly agrees that any and all amounts credited to the Principal Amount of the Loan by application of the negative rate of interest, as provided in Section 5 of this Agreement, are deemed grant funds received from State for purposes of compliance with California Public Utilities Commission Decision 06-03-015 dated March 2, 2006, as the same may be amended."
3. Supplier shall comply with all conditions of the Monterey County Emergency Coastal Development Permit #PLN090207 issued for the project. Permit Condition #9, Archeological Monitoring, has been satisfied with a pre-construction archaeological survey. The condition was deemed complete by the County of Monterey on August 21, 2009.
4. Supplier shall comply with the recommendations of the pre-construction archaeological survey completed for the project, *Preliminary Cultural resources Reconnaissance of Assessor's Parcel Numbers 243 301 021 and 243 301 029 and 243 301 030, in an Unincorporated Area near Garrapata Creek, County of Monterey, California* (Susan Morley: August 2009).
5. Supplier shall provide the CDPH Environmental Review Unit with copies of all surveys, photographs, and reports developed by the project Biological Monitor, as required by Condition #10, Biological Monitoring, of the Monterey County Emergency Coastal Development Permit #PLN090207 issued for the project.

6. Supplier shall provide the opportunity for (a) Native American Monitor(s) to participate in the monitoring of construction activities. Should tribal representatives desire to participate in construction monitoring; costs incurred will be the responsibility of the Native American Monitor(s).
7. The Supplier shall notify CDPH's **Monterey** District Office when the project construction is 50% complete.
8. The Supplier shall notify CDPH's **Monterey** District Office when construction is completed and prior to any start-up testing of the treatment facilities.
9. The Supplier shall submit a permit amendment application to the CDPH's **Monterey** District Office no later than December 1, 2009.
10. 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 **Monterey** District Office.

cc: Jan Sweigert, District Engineer  
Catherine Ma, Regional Engineer  
Addie Aguirre  
Anne Novak  
Karen Hilliard  
Natalia Deardorff  
Dat Tran  
Noel Gordon