

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: Jensen Mobile Home Park

Project Number: 2702405-001

DUNS Number: 831692319

Project description: Jensen MHP needs to install 1,400 feet of new six-inch distribution main to replace an old deteriorated main, the suspected source of bacteriological contamination

Estimated total cost of the Project: \$110,685

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

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

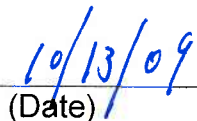
Estimated amount of ARRA funds to be used: \$110,685

Forgiveness of Principal: \$83,014

Loan Amount: \$27,671



Rufus B. Howell, Deputy Director
Center for Environmental Health


(Date)



California Department of Public Health
MEMORANDUM

DATE: September 28, 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 **H. Hugo and Linda Hugo, Trustees, (Jensen Mobile Home Park)** Project No. **2702405-001** 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: **H. Hugo and Linda Hugo, Trustees of the 'Hugo 1990 Revocable Trust', u/d/t September 27, 1990, as amended August 1, 1991, as amended February 20, 2001. (Jensen Mobile Home Park)**
2. Project Number: **2702405-001**
3. Supplier is a **Private-Living Trust** 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 **\$110,685** of which **\$110,685** is considered ARRA total eligible project costs.
Type of Assistance: **75% (Seventy-Five Percent) Forgiveness of Principal**
6. Total ARRA fundable cost: **\$110,685**
Forgiveness of Principal: **\$83,014**
Loan Amount: **\$27,671**
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' **Owner**.

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

**Jensen Mobile Home Park
Owner
583 Viejo Road
Carmel Ca. 93923**

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 **June 1, 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

ARTICLE C-2. ADDITIONAL REQUIREMENTS

1. The Supplier shall submit bid documentation to CDPH Headquarters in Sacramento postmarked no later than **October 9, 2009**.
2. The Supplier must submit a permit amendment application to Monterey County Department of Health and forward a copy to CDPH **Monterey** District Office prior to disbursement of funds, and not later than forty-five (45) days following Date of Execution of this Agreement.
3. The Supplier shall notify CDPH **Monterey** District Office when the Project construction is fifty percent (50%) complete.
4. Notwithstanding any term or condition to the contrary in this 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.
5. If archaeological features or materials are unearthed during any phase of Project activities, all work in the immediate vicinity of the find shall halt until the Supplier has contacted a qualified archeologist who will determine the significance of the resource.
6. If human remains are exposed by Project-related activity, the Supplier shall comply with California State Health and Safety Code, Section 7050.5, which states that

6. If human remains are exposed by Project-related activity, the Supplier shall comply with California State Health and Safety Code, Section 7050.5, which states that no further disturbance shall occur until the County Coroner has made the necessary findings as to origin and disposition pursuant to California Public Resources Code, Section 5097.98. The Supplier will provide the opportunity for Native American monitor(s) to participate in the identification, evaluation, and mitigation of effects upon, any Native American human remains or cultural resources inadvertently exposed during the proposed undertaking; said requirement may be satisfied by consultation with personnel designated by the Native American Heritage Commission. Should tribal representatives agree to consult on any such discoveries; the costs incurred will be the responsibility of the Supplier.

7. Supplier acknowledges there are no special status species expected to occur at the Project site, however, the Project component replacement pipeline is less than one mile from a known occurrence of the California Red-Legged Frog (*Rana draytonii*), a federally threatened species. Supplier shall retain the services of a qualified biologist to perform a pre-construction survey of the proposed pipeline alignment, following U.S Fish and Wildlife Service protocols <http://www.fws.gov/sacramento/es/protocol.htm> to ensure no species or their habitat are present and/or disturbed. If during any Project construction activity(ies), any life stage of the California red-legged frog is found, all work will cease and CDPH shall be notified.

8. Before commencement of any Project construction activities, Supplier shall cause a Service-approved biologist to conduct a training session for all Project construction personnel; such training to include, but not be limited to, a description of the California red-legged frog and its habitat, the specific measures that are being implemented to avoid the California red-legged frog for the Project, and the boundaries within which the Project may be accomplished. Brochures, books and briefings may be used in the training session, provided that a qualified person is on hand to answer any questions.

9. During Project construction activities, Supplier shall ensure that all trash that may attract predators will be properly contained, removed from the work site, and disposed of regularly. Upon completion of Project construction, Supplier shall remove all trash and construction debris from Project sites and work areas.

10. Supplier shall ensure that all refueling, maintenance, and staging of equipment and vehicles for the Project will occur at least 60 feet from riparian habitat or water bodies and not in a location from where a spill would drain directly toward aquatic habitat. Supplier will ensure contamination of habitat does not occur during such operations. Prior to the onset of Project work, Supplier shall ensure that a plan is in place for prompt and effective response to any accidental spills. Supplier shall inform all Project workers of the importance of preventing spills and of the appropriate measures to take should a spill occur.

11. To control sedimentation during and after project implementation, the Supplier shall implement a Storm Water Pollution Prevention Plan (SWPPP). The SWPPP must outline and describe the Best Management Practices (BMPs) which will be used to minimize potential sediment transport that could impact water quality.

12. Supplier expressly agrees that, notwithstanding any other term or condition of this Agreement, State has no duty to disburse funds under this Agreement unless, not later than forty-five (45) days following Date of Execution of this Agreement, Supplier delivers to State a fully executed **Personal Guaranty, in form approved by State, signed by Howard Hugo, an individual, and Linda Hugo, an individual.**

ARTICLE C-3 NO PRIVATE GAIN

1. During the term of this Agreement, as defined in Article A-2 of Exhibit A of this Agreement, Supplier agrees to provide State with written notice of any proposed sale or transfer of the Project or any portion of the Project, hereinafter "Transferred Assets". Said notice shall be provided to State not less than sixty (60) days prior to proposed date of sale or transfer and shall include a statement of the then current fair market value of the Transferred Assets. The statement must be made by an independent appraiser, jointly selected by Supplier and proposed purchaser or transferee, and duly licensed by State of California. The value set forth in such statement is hereinafter referred to as "Fair Market Value".

2. Supplier agrees that the Fair Market Value represents the value of assets attributable to the funding provided under terms of this Agreement and is hereinafter referred to as "Public Funds".

3. Supplier agrees that it is not entitled to benefit from the sale or transfer of Transferred Assets attributable to funding provided under terms of this Agreement, and upon the sale or transfer will credit the purchaser an amount equal to Public Funds.

4. If purchaser is not a public entity, Supplier further agrees to cause the purchaser of Transferred Assets to establish a designated account, the identity of which shall be included in the written notice to State required by paragraph 1 of this Article C-3; and shall cause the purchaser to fund the designated account in the amount of Public Funds; shall cause purchaser to agree to utilize such funds only for capital improvements to the **Jensen Mobile Home Park** public water system or to any public water system which is the result of any consolidation of the **Jensen Mobile Home Park** public water system.

5. Supplier agrees to incorporate the requirements of paragraphs 1 to 7 of this Article C-3 into its contract or agreement for any sale or transfer of Transferred Assets, and will assure that State is an intended beneficiary of any contract or agreement for the sale or transfer of Transferred Assets.
6. Supplier agrees that upon its failure to perform any or all of the requirements of paragraphs 1 to 7 of this Article C-3, State, in its sole discretion, shall have the right to establish Fair Market Value of Transferred Assets and the amount of Public Funds, and Supplier expressly agrees that an amount equal to Public Funds shall be an obligation of Supplier immediately all due and payable to State.
7. Supplier further agrees to execute a Memorandum of Agreement with State, in the form of **Attachment 10** to this Agreement, memorializing paragraphs 1 to 7 of this portion thereof is situated. Supplier further agrees that State may file a UCC-1 statement with the California Secretary of State to give notice of Supplier's contingent liability to State as set forth in paragraph 6 of this Article C-3.

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