

Agreement for the Loan of \$1,000,000 to the Crystal Springs Sanitation District from the General Fund of the County of San Mateo to Allow the District to Meet Its Current Financial Obligations to the Town of Hillsborough for the Improvement of Jointly Used Sewer Facilities

THIS AGREEMENT, entered into this _____ day of _____, 2005, by and between the County of San Mateo, a political subdivision of the State of California, hereinafter called "County" and Crystal Springs County Sanitation District, a county sanitation district of the County of San Mateo ("District"),

W I T N E S S E T H:

WHEREAS, Section 4764 of the Health and Safety Code of the State of California provides that county sanitation districts may borrow money to guarantee the performance of its contractual obligations; and

WHEREAS, subject to the terms and conditions set forth herein, it is necessary and desirable that the sum of \$1,000,000 be loaned to District from the County General Fund to allow the District to meet its financial obligations to the Town of Hillsborough (Town) for the reconstruction of portions of their sewer trunk main which transports sewage from the District through the Town to the City of San Mateo:

NOW, THEREFORE, IT IS AGREE BY THE PARTIES HERETO as follows:

- 1. Loan Amount** - County agrees to lend District \$1,000,000 that will be used by the District to reimburse the Town for a portion of the District's share of the costs incurred by the Town for improvements to the Town's jointly used facilities.
- 2. Source of Loan Funds** - County will make said loan to District from the County General Fund.

3. **Term of Loan** - District agrees to repay County said loan amount plus accrued interest no later than five (5) years from the date County disburses the payment under said loan. District shall make at least two (2) payments per year to the County no later than January 1st and June 1st of each year during the term of the loan. The District shall be allowed to repay the County at an accelerated schedule without a prepayment penalty.

4. **Interest Rate on Loan** - District agrees to pay interest on all funds owed County under this Agreement at a rate equal to the annual interest rate paid on pooled reserves in the County Treasury.

5. **Repayment Schedule** - District agrees to prepare an estimated repayment schedule for of said loan with each payment and shall deliver said schedule to the County Controller with each payment. The repayment schedule shall be based on two payments by District per year.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on
the dates set forth below.

COUNTY OF SAN MATEO

By: _____
Richard S. Gordon, President
Board of Supervisors

ATTEST:

John L. Maltbie, County Manager /
Clerk of the Board

**CRYSTAL SPRINGS COUNTY
SANITATION DISTRICT**

By: _____
Richard S. Gordon, President
Board of Supervisors
The Governing Board of the Crystal
Springs County Sanitation District

ATTEST:

John L. Maltbie, County Manager /
Clerk of the Board