

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-Bank)
 INFRASTRUCTURE STATE REVOLVING FUND (ISRF) PROGRAM**

**MODIFICATION STAFF REPORT
 DISBURSEMENT PERIOD EXTENSION**

Modification #	Amendment #	Borrower Name	Application Number
1	1	City of Porterville (Borrower)	09-0252
		Project Name	Loan Number
		Eastside Water Improvements Projects (Project)	08-092

Original Project Description

The Project components are as follows:

Construction and installation of pipelines, booster pumps, a storage reservoir and well pump equipment and accessories related to the following: Martin Hill 3 MG Reservoir & Pipeline project; Well 31 at S. Mathew Street project; Morton Avenue Water Trunk Line project; Mathew Street Water Trunk line; and the Veterans Park Booster Pump project as identified in the City of Porterville's Water System Master Plan dated February 2001(Project).

Original Loan Amount	Effective Date of Agreement	Original Disbursement Expiration Date
\$ 6,757,000	April 1, 2009	April 1, 2012

PRIOR MODIFICATIONS

None.

CURRENT MODIFICATION REQUEST

Description of and Reason for Disbursement Period Extension Request

The I-Bank received two final disbursement requests dated 5/14/2012 and 8/6/2012 for the Project; both requests were received after the disbursement deadline of 4/1/2012. A disbursement period extension is required to finalize the two disbursement requests. The Borrower submitted a request (Request) to extend the disbursement deadline to December 31, 2014 (Attachment 1). The Project was completed approximately \$1.68 million under budget, and the Borrower also submitted an Application to Amend the Agreement (Application) to add two new components (New Components) to the agreement to use the remaining loan proceeds. Staff had intended to submit one modification staff report recommending both the Request and Application at one time; however, the New Components have been delayed, and staff has decided to proceed with the Request to allow disbursement of the two final disbursement requests pending for the Project.

Staff recommends extending the requested disbursement deadline to March 31, 2015, rather than December 31, 2014, to allow the Borrower to ensure sufficient time to disburse all funds since staff is anticipating adding the New Components. The loan is funded with I-Bank cash and therefore ISRF Bonds expenditure requirements are not applicable.

Current Status of Project	Balance Undisbursed Loan Proceeds
The Project is complete.	\$ 352,830.66 (Attachment 2)

Revised Project Timeline

The Project is complete. The Notice of Completion for the Project was filed on June 22, 2012, and a copy has been received by the I-Bank. The New Components are projected to be completed on December 12, 2014, and the filing of the Notice of Completion estimated for December 17, 2014.

Proposed Amendment Effective Date, if applicable Date	Proposed Disbursement Expiration Date (set at approximately 45 days past Project completion)
April 1, 2012	March 31, 2015

COMPLIANCE WITH AGREEMENT COVENANTS

Date of Last Annual Surveillance	Date of Receipt of Compliance Data Since Last Review

Paid as Agreed?	Other/Special Conditions?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Explain:	<input type="checkbox"/> Yes Explain: <input checked="" type="checkbox"/> No

BORROWER'S AUTHORIZATION

APPROVAL AUTHORIZATION

Pursuant to Resolution 11-24 adopted by the I-Bank Board on September 27, 2011, the I-Bank's Executive Director has been delegated the authority to amend or modify financing documents associated with the ISRF Program Loans so long as such proposed amendment (A) is consistent with the intent of the Board resolution that approved the initial ISRF Program Loan; (B) is approved by counsel to the I-Bank and (C) does not involve any of the following: (1) any increase in the principal amount of the ISRF Program Loan; (2) any extension of the final maturity date; (3) any change in the security pledged to repay the ISRF Program Loan; (4) any change in the interest rate. The proposed modifications recommended herein fall within the Executive Director's approval authority pursuant to Resolution 11-24.

Agreement. SECTION 8.13. Contact Persons.

The Purchaser Project manager shall be the Public Works Director or such other person as may be designated in writing by the Purchaser. The Purchaser Project manager shall be the Purchaser's representative for the administration of this Agreement and shall have full authority to act on behalf of the Purchaser. The Public Works Director or such other person as designated by the City Manager may designate in writing another person or persons authorized to request disbursement of Project Funds. All communications given to the Purchaser Project manager shall be as binding as if given to the Purchaser.

The requested disbursement period extension falls under the Section 8.13 authorization, therefore, a purchaser resolution is not required.

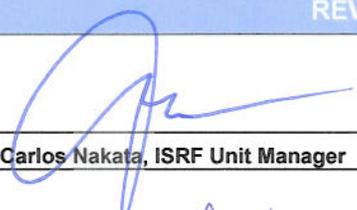
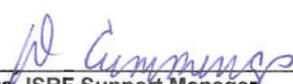
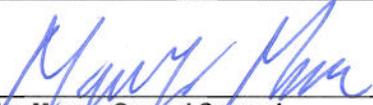
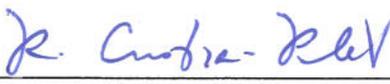
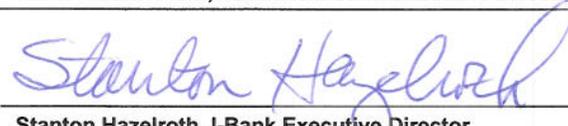
Pledged to:	Select Appropriate Indenture Provision:
<input type="checkbox"/> 2004 ISRF Program Bonds <input type="checkbox"/> 2005 ISRF Program Bonds <input type="checkbox"/> 2008 ISRF Program Bonds <input checked="" type="checkbox"/> Master Indenture <input type="checkbox"/> Other	<input checked="" type="checkbox"/> The Agreement is pledged to the Master Indenture for the ISRF Program Bonds. Section 302, Release, Addition and Amendment of Master Indenture Obligations, subsection (b) states that the I-Bank may, at its discretion, amend or waive the terms of the Master Indenture Agreements in any manner. As such, the proposed modifications are allowed under the Master Indenture. <input type="checkbox"/> The Agreement is pledged to the Series Indenture for the one of the series ISRF Program Bonds. Section 607, Release, Addition and Amendment of a Pledged Obligations, subsection (b) of the Indenture states that the I-Bank (Issuer) may amend the payment provisions of any series pledged Agreement if, prior to such amendment, the Issuer delivers to the Trustee and each Rating Agency an Officer's Certificate that demonstrates compliance with the Coverage Test after taking into effect the amendment. As long as the Issuer complies with the immediately preceding sentence, the Issuer may amend any of the other provisions of any series pledge Agreement in its discretion. The proposed modifications do not impact any payment provisions. As such, the proposed modifications are allowed under the applicable series ISRF Program Bonds Indenture. <input type="checkbox"/> Not Applicable since the loan is not pledged to the ISRF Program Bonds.

STAFF RECOMMENDATION

Staff concludes extension of disbursement period request is reasonable.

Yes—Staff recommends approval of this modification as presented.
 No Explain:

Prepared by:		9/27/12
	Jamie Fuentes, Municipal Finance Analyst	Date

REVIEW AND APPROVALS		
Reviewed by:		9/27/12
	Carlos Nakata, ISRF Unit Manager	Date
Reviewed by:		9/27/12
	Diane Cummings, ISRF Support Manager	Date
Reviewed by:		10/3/12
	Tom Tengan, Staff Counsel III	Date
Reviewed by:		10/5/12
	Marilyn Muñoz, General Counsel	Date
	<input checked="" type="checkbox"/> The above modification request falls within the authority delegated to the Executive Director. I-Bank Board consideration and approval is not required. <input type="checkbox"/> The modification request does not fall within the delegated authority of the I-Bank Executive Director, and Board consideration of the request is required.	
Approved by:		10/5/12
	Roma Cristia-Plant, I-Bank Assistant Executive Director	Date
Approved by:		10/8/12
	Stanton Hazelroth, I-Bank Executive Director	Date

Attachments:

- Attachment 1 – Borrower Disbursement Extension Request
- Attachment 2 – Loan Disbursements Report By Customer
- Attachment 3 – Borrower Statement of Account

ATTACHMENT 1



Public Works Department

July 25, 2012

California Infrastructure and Economic Development Bank
Attn: ISRF Support Unit Manager
980 9th Street, Suite 900
Sacramento, CA 95814

Re: Request for Enterprise Fund Installment Sale Amendment
Agreement No. CIEDB -08-092

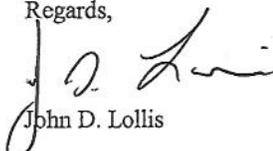
Dear Ms. Cummings:

The City of Porterville is requesting an extension of the disbursement deadline to December 31, 2014 to allow time for additional components to be completed. The original programmed projects were completed under budget. Approximately \$1.68 million remains from the original loan amount. The City has programmed two additional projects and needs the time extension to complete the design and construction of the two new projects.

Construction completion for the additional components are projected for December 12, 2014 with the filing of the Notice of Completion estimated for December 17, 2014. The existing project, Eastside Water Projects, has already been completed, June 5, 2012, with the Notice of Completion filed June 12, 2012.

If you require additional documentation, please contact Baldomero Rodriguez at (559) 782-7460.

Regards,


John D. Lollis
City Manager

ATTACHMENT 2

Loan Disbursements Report By Customer

I-Bank ISRF Program
 8/2/2012

Begin Date : 7/1/2009
 End Date : 7/31/2012

Customer ID Customer Name	Facility ID	Loan ID	Branch GL Code	Effective Posted	Loan Draw Principal Cap	Other Draw Escrow Draw	Total Draw
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	04/12/2010	\$266,261.87	\$0.00	\$266,261.87
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	04/14/2010	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	06/28/2010	\$509,345.42	\$0.00	\$509,345.42
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	06/29/2010	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	07/09/2010	\$63,145.63	\$0.00	\$63,145.63
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	07/20/2010	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	10/18/2010	\$259,211.35	\$0.00	\$259,211.35
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	11/04/2010	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	11/02/2010	\$591,760.32	\$0.00	\$591,760.32
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	11/04/2010	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	02/03/2011	\$178,889.23	\$0.00	\$178,889.23
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	02/23/2011	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	07/15/2011	\$777,499.41	\$0.00	\$777,499.41
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	07/26/2011	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	09/20/2011	\$972,613.73	\$0.00	\$972,613.73
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	09/22/2011	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	11/01/2011	\$215,325.23	\$0.00	\$215,325.23
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	11/03/2011	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	12/21/2011	\$529,699.01	\$0.00	\$529,699.01
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	01/04/2012	\$0.00	\$0.00	\$0.00
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	02/24/2012	\$362,129.19	\$0.00	\$362,129.19
CIEDB-08-092 City of Porterville	CIEDB-08-092	CIEDB-08-092	GL-1	02/28/2012	\$0.00	\$0.00	\$0.00
CIEDB-08-092 Totals:		1 Loan(s)			\$4,725,880.39	\$0.00	\$4,725,880.39
Grand Totals:		1 Loan(s)			\$4,725,880.39	\$0.00	\$4,725,880.39

ATTACHMENT 3

BORROWER STATEMENT OF ACCOUNT

California Infrastructure & Economic Development Bank
 c/o CHP Cashiering Unit
 P.O Box 942900
 Sacramento, CA 94298-2900

ACCOUNT NO: CIEDB-08-092
 STATEMENT DATE: 7/31/2012
 PAGE NUMBER: 1

INTEREST THIS PERIOD: \$128,464.16

City of Porterville
Attention: Public Works Director
291 N. Main Street
Porterville, CA 93257

STATEMENT PERIOD
 7/1/2009 To 7/31/2012

LOAN TERMS AND BALANCES

MATURITY:	8/1/2038	PRINCIPAL BALANCE:	\$4,587,278.02
NOTE RATE:	3.8400000000%	ACCRUING BALANCE:	\$6,618,897.63
NEXT PAYMENT DUE:	2/1/2013	UNPAID LATE CHARGES:	\$0.00
REGULAR PAYMENT:	\$0.00	UNPAID CHARGES:	\$19,856.69
PAYMENT FREQUENCY:	Semi-annually	ACCRUED INTEREST:	\$128,464.16

LOAN ACTIVITY

EFFECTIVE DATE	POST DATE	REFERENCE	TOTAL		DISTRIBUTION			PRINCIPAL BALANCE
			RECEIVED	INTEREST	PRINCIPAL	LATE	OTHER	
7/1/2009	7/31/2009	New Loan Draw	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/1/2009	7/31/2009	New Loan RC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/1/2009	7/31/2009	New Fee RC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1/22/2010	2/23/2010	Loan Payment	\$110,806.11	\$110,806.11	\$0.00	\$0.00	\$0.00	\$0.00
2/19/2010	2/23/2010	Loan Payment	\$40,561.89	\$40,561.89	\$0.00	\$0.00	\$0.00	\$0.00
2/19/2010	2/23/2010	Credit for Undisbursed	(\$40,561.89)	\$0.00	\$0.00	\$0.00	(\$40,561.89)	\$0.00
4/12/2010	4/14/2010	Loan Draw	(\$266,261.87)	\$0.00	(\$266,261.87)	\$0.00	\$0.00	\$266,261.87
6/28/2010	6/29/2010	Loan Draw	(\$509,345.42)	\$0.00	(\$509,345.42)	\$0.00	\$0.00	\$775,607.29
7/9/2010	7/20/2010	Loan Draw	(\$63,145.63)	\$0.00	(\$63,145.63)	\$0.00	\$0.00	\$838,752.92
7/30/2010	9/23/2010	Loan Payment	\$129,744.00	\$129,744.00	\$0.00	\$0.00	\$0.00	\$838,752.92
7/30/2010	9/23/2010	Admin Fee Payment	\$20,272.50	\$0.00	\$0.00	\$0.00	\$20,272.50	\$838,752.92
8/1/2010	8/2/2010	Admin Fee	(\$20,272.50)	\$0.00	\$0.00	\$0.00	(\$20,272.50)	\$838,752.92
10/18/2010	11/4/2010	Loan Draw	(\$259,211.35)	\$0.00	(\$259,211.35)	\$0.00	\$0.00	\$1,097,964.27
11/2/2010	11/4/2010	Loan Draw	(\$591,760.32)	\$0.00	(\$591,760.32)	\$0.00	\$0.00	\$1,689,724.59
1/25/2011	3/18/2011	Loan Payment	\$129,744.00	\$129,744.00	\$0.00	\$0.00	\$0.00	\$1,689,724.59
2/3/2011	2/23/2011	Loan Draw	(\$178,889.23)	\$0.00	(\$178,889.23)	\$0.00	\$0.00	\$1,868,613.82
7/13/2011	8/2/2011	Loan Payment	\$268,346.37	\$129,744.00	\$138,602.37	\$0.00	\$0.00	\$1,730,011.45
7/13/2011	8/2/2011	Admin Fee Payment	\$20,272.50	\$0.00	\$0.00	\$0.00	\$20,272.50	\$1,730,011.45
7/15/2011	7/26/2011	Loan Draw	(\$777,499.41)	\$0.00	(\$777,499.41)	\$0.00	\$0.00	\$2,507,510.86
8/1/2011	8/1/2011	Admin Fee	(\$20,272.50)	\$0.00	\$0.00	\$0.00	(\$20,272.50)	\$2,507,510.86
9/20/2011	9/22/2011	Loan Draw	(\$972,613.73)	\$0.00	(\$972,613.73)	\$0.00	\$0.00	\$3,480,124.59
11/1/2011	11/3/2011	Loan Draw	(\$215,325.23)	\$0.00	(\$215,325.23)	\$0.00	\$0.00	\$3,695,449.82
12/21/2011	1/4/2012	Loan Draw	(\$529,699.01)	\$0.00	(\$529,699.01)	\$0.00	\$0.00	\$4,225,148.83
1/23/2012	2/5/2012	Loan Payment	\$127,082.82	\$127,082.82	\$0.00	\$0.00	\$0.00	\$4,225,148.83
2/24/2012	2/28/2012	Loan Draw	(\$362,129.19)	\$0.00	(\$362,129.19)	\$0.00	\$0.00	\$4,587,278.02
				\$667,682.82	(\$4,587,278.02)	\$0.00	(\$40,561.89)	\$4,587,278.02