



City of Biggs

**Agenda Item Staff Report
for the Regular City Council Meeting:
March 10, 2015 6:30PM**

DATE: March 10, 2015
TO: Honorable Mayor and Members of the City Council
FROM: Mark Sorensen, City Administrator
SUBJECT: Authorization interfund loans to fund waste water project land acquisition

Background

This City contemplating land acquisition related to its waste water phase 2 land application project. Various timing issues make it advantageous to the City to fund the purchase effort at this time while the city continues to pursue funding opportunities. This action would allow the funding of the land acquisition while the city continues to pursue land acquisition funding.

Recommendation: Pass: RESOLUTION NO. 2015-07

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS AUTHORIZING AN INTERFUND LOAN IN THE AMOUNT OF \$1,300,000 FROM THE CITY'S ELECTRICAL FUND (050) AND \$200,000 FROM ELECTRIC IMPROVEMENT (100) TO THE CITY'S WWTP PROJECT PHASE 2 FUND (108)

Mark Sorensen, City Administrator

RESOLUTION NO. 2015-07

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS AUTHORIZING AN INTERFUND LOAN IN THE AMOUNT OF \$1,300,00 FROM THE CITY'S ELECTRICAL FUND (050) AND \$200,000 FROM ELECTRIC IMPROVEMENT (100) TO THE CITY'S WWTP PROJECT PHASE 2 FUND (108)

WHEREAS, the City is undertaking improvements of its Waste Water Treatment Plant (WWTP), including the acquisition of real property for the purpose of land discharge; and,

WHEREAS, the City is undertaking to acquire this real property (Butte County Assessor's Parcel Numbers 022-140-009-000, 022-140-010-000 and 022-140-011-000) by way of eminent domain; and,

WHEREAS, the City has obtained an appraisal of the property and has determined the fair market value of the property to be \$1,490,000 and has made an offer in that amount to the property owners, said owners rejecting that offer; and,

WHEREAS, the City adopted a Resolution of Necessity regarding this property on December 9, 2014; and,

WHEREAS, it is necessary that the City obtain prejudgment possession of the property through the intended eminent domain proceedings; and,

WHEREAS, the funding of the purchase of the property will be made through the City's loans and grants obtained for the construction of the WWTP improvements; and,

WHEREAS, the current need for prejudgment possession of the property means that the required deposit of the fair market value will occur prior to full project funding; and,

WHEREAS, the City's fund created for the WWTP improvements does not currently have funds sufficient for the property's fair market value deposit and the estimated attorney's fees and costs to be incurred in the eminent domain proceedings; and,

WHEREAS, the City's Electric Enterprise Fund and Electric Improvement Fund have cash available to provide a short term loan to the fund created for the WWTP improvements in an amount sufficient for the necessary deposit of the property's fair market value and the estimated attorney's fees and costs to be incurred in securing the property by eminent domain; and,

WHEREAS, the City expects that the project's funding will permit repayment to City's Electric Enterprise Fund and Electric Improvement Fund from the fund created for the WWTP improvements within one year from the date of the loan.

NOW, THEREFORE, BE IT RESOLVED by City Council of the City of Biggs as follows:

1. Recitals. All the above recitals are true and correct, and this City Council

so finds, determines and represents.

2. Authorization of Loan. The City Council hereby authorizes a loan in the amount of \$1,300,000 from the City's Electrical Enterprise Fund (050) to the City's WWTP Project Phase 2 Fund (108) for the reasons and purposes set forth above.

3. Authorization of Loan. The City Council hereby authorizes a loan in the amount of \$200,000 from the City's Electrical Improvement Fund (100) to the City's WWTP Project Phase 2 Fund (108) for the reasons and purposes set forth above.

4. Interest on this loan is waived, unless the repayment period exceeds one year. In that event, the Council will consider an appropriate interest rate.

I HEREBY CERTIFY that the foregoing RESOLUTION was duly introduced, passed and adopted at a regular meeting to the City Council of the City of Biggs, held on the 10th day of March, 2015, by the following vote:

AYES: COUNCILMEMBER _____

NOES: COUNCILMEMBER _____

ABSENT: COUNCILMEMBER _____

ABSTAIN: COUNCILMEMBER _____

ATTEST:

APPROVED:

Roben Dewsnup
CITY CLERK

Roger L. Frith
MAYOR