



## City of Biggs

### Agenda Item Staff Report For the Regular City Council Meeting: July 14, 2015

TO: Honorable Mayor and Members of the City Council  
FROM: City Administrator  
SUBJECT: Authorizing Resolutions for Water Meter Installation Project

Council is asked to consider approval of resolutions authorizing funding application for Water Meter Installation Project.

#### **Background**

The City has 240 unmetered water service connections, and in the interest of managing the water utility desires to install meters at all service connections.

State Revolving Fund (SRF) offers project financing for this purpose. The proposed resolutions would support a funding application. Currently we expect to see 50% loan forgiveness with the remaining 50% as a loan at 1.5% with a 30-year term.

Current project estimates:

Description	Cost
Planning	
Design	\$19,000
CM	\$7,000
Admin	\$3,000
Construction	\$278,000
Contingency	\$46,000
<b>TOTAL</b>	<b>\$353,000</b>

  

Loan Forgiveness	50.0%	\$176,500	Resulting Loan Principle
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#### **Recommendation:**

Approve the following three resolutions:

#### **RESOLUTION NO. 2015-17. REIMBURSEMENT RESOLUTION**

#### **RESOLUTION NO. 2015-18. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS—AUTHORIZATION TO NEGOTIATE AND EXECUTE FINANCIAL ASSISTANCE AGREEMENT FOR THE WATER METER INSTALLATION PROJECT**

**RESOLUTION NO. 2015-19. RESOLUTION OF THE CITY OF BIGGS AUTHORIZING CITY ADMINISTRATOR TO SIGN FINANCING AGREEMENT, AMENDMENTS, AND CERTIFICATIONS FOR FUNDING UNDER THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AUTHORIZING CITY ADMINISTRATOR TO APPROVE CLAIMS FOR REIMBURSEMENT; AUTHORIZING CITY ADMINISTRATOR TO EXECUTE BUDGET AND EXPENDITURE SUMMARY; AUTHORIZING CITY ADMINISTRATOR TO SIGN THE FINAL RELEASE FORM AND CITY ADMINISTRATOR TO SIGN THE CERTIFICATION OF PROJECT COMPLETION AND PLEDGING AND DEDICATING NET WATER REVENUES FROM TO PAYMENT OF DWSRF FINANCING.**

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Mark Sorensen, City Administrator

**RESOLUTION NO. 2015-17**  
**REIMBURSEMENT RESOLUTION**

**WHEREAS**, the City of Biggs (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

**WHEREAS**, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

**WHEREAS**, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

**WHEREAS**, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

**WHEREAS**, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

**NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:**

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$600,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

**I HEREBY CERTIFY** that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Biggs, held on the 14<sup>th</sup> of July, 2015, by the following vote:

AYES, COUNCILMEMBERS: \_\_\_\_\_

NOES, COUNCILMEMBERS: \_\_\_\_\_

ABSTAIN, COUNCILMEBERS: \_\_\_\_\_

ABSENT, COUNCIL MEMBERS: \_\_\_\_\_

ATTEST:

APPROVED:

\_\_\_\_\_  
Roben Dewsnup  
CITY CLERK

\_\_\_\_\_  
Roger L. Frith  
MAYOR

**RESOLUTION NO. 2015-18**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIGGS—  
AUTHORIZATION TO NEGOTIATE AND EXECUTE FINANCIAL ASSISTANCE  
AGREEMENT FOR THE WATER METER INSTALLATION PROJECT**

**BE IT RESOLVED** by the Biggs City Council that the City Administrator is hereby authorized and directed to sign and file, for and on behalf of the City of Biggs, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of City of Biggs Water Meters Installation Project; and

**BE IT RESOLVED** that the City of Biggs hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the Agency has and will comply with all applicable state and federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Board; and

**BE IT FURTHER RESOLVED** that the City Administrator or his/her designee of the City of Biggs is hereby authorized to negotiate and execute a financial assistance agreement from the State Water Resources Control Board and any amendments or change orders thereto and certify financing agreement disbursements on behalf of the City of Biggs. Except for grant awards, such financial assistance shall not exceed \$600,000.

**I HEREBY CERTIFY** that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Biggs, held on the 14th day of July, 2015 by the following vote:

AYES: Council Members: \_\_\_\_\_

NOES: Council Members: \_\_\_\_\_

ABSENT: Council Members: \_\_\_\_\_

ABSTAIN: Council Members: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Roben Dewsnup, CITY CLERK

\_\_\_\_\_  
Roger Frith, MAYOR

**PLEDGED REVENUE AND FUNDS (PRF) RESOLUTION**

**RESOLUTION NO. 2015-19**

**RESOLUTION OF THE CITY OF BIGGS AUTHORIZING CITY ADMINISTRATOR TO SIGN FINANCING AGREEMENT, AMENDMENTS, AND CERTIFICATIONS FOR FUNDING UNDER THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AUTHORIZING CITY ADMINISTRATOR TO APPROVE CLAIMS FOR REIMBURSEMENT; AUTHORIZING CITY ADMINISTRATOR TO EXECUTE BUDGET AND EXPENDITURE SUMMARY; AUTHORIZING CITY ADMINISTRATOR TO SIGN THE FINAL RELEASE FORM AND CITY ADMINISTRATOR TO SIGN THE CERTIFICATION OF PROJECT COMPLETION [only applies to construction projects]; AND PLEDGING AND DEDICATING NET WATER REVENUES FROM TO PAYMENT OF DWSRF FINANCING.**

**WHEREAS**, City of Biggs seeks financing from the State Water Resources Control Board for a project commonly known as Water Meter Installation Project (“Project”); and

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED**, that

1. The City Administrator is hereby authorized and directed to sign and file, for and on behalf of the City of Biggs a financial assistance application for a financing agreement from the State Water Resources Control Board for the Project;
2. The City Administrator or designee is hereby authorized to sign the DWSRF program financing agreement for the Project and any amendments thereto, and provide the assurances, certifications and commitments required therefore;
3. The City Administrator or designee is hereby authorized to represent the City of Biggs in carrying out the City of Biggs’ responsibilities under the financing agreement, including approving and submitting disbursement requests (including Claims for Reimbursement) or other required documentation, compliance with applicable state and federal laws, and making any other necessary certifications;
4. The City of Biggs does hereby dedicate and pledge its net water revenues and its water enterprise fund to payment of the DWSRF financing for the Project. The City of Biggs commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the City of Biggs has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement(s) are outstanding, the City of Biggs pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary. So long as the financing agreement(s) are outstanding, the City of Biggs commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s). If for any reason, the said source of revenues proves insufficient to satisfy the debt service of the DWSRF obligation, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to meet the DWSRF obligation and to operate and maintain the project; and

5. The authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The State Water Resources Control Board is authorized to rely upon this Resolution until written notice to the contrary, executed by each of the undersigned, is received by the State Water Resources Control Board. The State Water Resources Control Board shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the City of Biggs or in any other document.

**I HEREBY CERTIFY** that the foregoing **RESOLUTION** was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Biggs, held on the 14th day of July, 2015 by the following vote:

AYES: Council Members: \_\_\_\_\_

NOES: Council Members: \_\_\_\_\_

ABSENT: Council Members: \_\_\_\_\_

ABSTAIN: Council Members: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Roben Dewsnup, CITY CLERK

\_\_\_\_\_  
Roger Frith, MAYOR