

ORDINANCE NO. \_\_\_\_\_

ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE APPROVAL AND EXECUTION BY THE PUBLIC WORKS DIRECTOR OF AN INSTALLMENT SALE AGREEMENT IN CONNECTION WITH THE AIR PROCESS IMPROVEMENT PROJECT CLEAN WATER STATE REVOLVING FUND PROJECT NO. 7857-110

WHEREAS, in order to finance the Air Process Improvement Project, the City will sell the Project to the State Water Board and then purchase the Project from the State Water Board pursuant to an Installment Sale Agreement (the "Installment Sale Agreement");

WHEREAS, the State Water Board will provide the funds necessary to construct the Air Process Improvement Project through the financing provided in the Installment Sale Agreement which funds, together with 1.9% interest accruing thereon, will be repaid by the City in equal annual installments from the Wastewater Fund Net System Revenues for twenty (20) years, beginning one year after completion of construction.

WHEREAS, the City Council of the City (the "City Council") has been presented with the form of the Installment Sale Agreement, and the City Council has examined and approved such document and desires to authorize and direct the execution of such document;

NOW, THEREFORE, The City Council of the City of Santa Barbara does ordain as follows:

Section 1. All of the recitals herein contained are true and correct and the City Council so finds.

Section 2. The form of Installment Sale Agreement, on file with the City Clerk, is hereby approved, and the Public Works Director of the City and any such other officer of the City as the Public Works Director may designate (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the Installment Sale Agreement in substantially said form with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the principle amount of the Installment Payments shall not exceed \$20,000,000, the final Installment Payment shall be payable no later than twenty years following the notice of completion of construction of the Project and the true interest cost of the interest on the Installment Payments shall not exceed 1.9% per annum.

Section 3. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Ordinance. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 4. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Council hereby orders that, in lieu of the publication of this Ordinance once in the official newspaper of the City within 15 days after its adoption, this Ordinance shall be published by title only once in the official newspaper of the City within 15 days after its adoption, provided that the full text shall be available to the public at the City Clerk's Office, and such publication by title only shall so state. This Ordinance shall become effective 30 days from and after the date of its adoption.