

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA PLEDGING THE WATER FUND NET REVENUE TO PAYMENT OF THE DRINKING WATER STATE REVOLVING FUND FINANCING AGREEMENT

WHEREAS, an outside funding source has been identified by staff as an essential instrument to fund the planning, design, and construction costs of the Reactivating of the Charles E. Meyer Desalination Plant Project (“Project”);

WHEREAS, the City Administrator has been authorized by the City Council on November 4, 2014, to apply for State Revolving Funds to pay for a substantial portion of the costs of such projects;

WHEREAS, the State Water Resources Control Board (“State Water Board”) has notified the City Administrator that DWSRF applications require City Council action dedicating a funding source for repayment of the financing agreement; and

WHEREAS, Council will take separate action to accept the financing agreement and award the contract for the planning study, design work, and final construction of said Project.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City of Santa Barbara hereby dedicates and pledges the Water Fund and the Water Fund net system revenues to payment of any and all DWSRF financing for the Project.

SECTION 2. The City of Santa Barbara commits to collect such revenue and maintain such fund throughout the term of such financing and until the City of Santa Barbara has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Board.

SECTION 3. So long as the financing agreement is outstanding, the City of Santa Barbara’s pledge hereunder shall constitute a lien in favor of the State Water Board on the Water Fund and Water Fund net system revenues without any further action necessary.

SECTION 4. So long as the financing agreement is outstanding, the City of Santa Barbara commits to maintaining the Water Fund and Water Fund net system revenues at levels sufficient to meet its obligations under the financing agreement.