

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AND DELIVER AN APPLICATION TO THE STATE WATER RESOURCES CONTROL BOARD FOR A CLEAN WATER STATE REVOLVING FUND LOAN, AND AMENDING RESOLUTION NO. 09-026

WHEREAS, the City of Santa Barbara (the "City") desires to finance the costs of rehabilitating the Headworks Screening process facility, constructing a new Fats, Oil, and Grease (FOG) processing facility, and making associated digester gas system modifications (Project) at the El Estero Wastewater Treatment Plant;

WHEREAS, the City intends to finance the Project with moneys (Project Funds) provided to the City through a Clean Water State Revolving fund loan from the State of California, acting by and through the State Water Resources Control Board ("Clean Water Loan");

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

WHEREAS, Resolution No. 09-026 was adopted by the City Council on May 13, 2009, to allow the City to reimburse certain Project expenditures made prior to the issuance of the Obligations and Clean Water Loan as such resolution is required to comply with Treasury Regulation 1.150-2 and other Internal Revenue Service regulations;

WHEREAS, Resolution No. 09-026 provided that the reasonably expected maximum principal amount of Project Funds was \$1.2 million;

WHEREAS, the reasonably expected maximum principal amount of Project Funds has since increased to \$6.8 million resulting in the need to amend Resolution No. 09-026 to reflect the increased amount; and

WHEREAS, Resolution No. 10-019 was adopted by the City Council on April 21, 2010, to dedicate to repayment of the Clean Water Loan that portion of the Wastewater Fund necessary to make full and complete repayment of the Loan.

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

SECTION 1. The City Administrator, or his designee, is hereby authorized and directed to sign and file, for and on behalf of the City of Santa Barbara, a Financial Assistance Application for a State Revolving Fund Clean Water Loan from the State Water Resources Control Board in an amount not to exceed Six Million Eight Hundred Thousand Dollars (\$6,800,000) for the planning, design, and construction of the Project;

SECTION 2. The City Administrator, or his designee, is authorized to certify that the City 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 Boards;

SECTION 3. The City Administrator, or his designee, is hereby authorized to negotiate and execute a loan agreement from the State Water Resources Control Board and any amendments or change orders thereto and certify loan disbursements on behalf of the City;

SECTION 4. Section 2 of Resolution No. 09-026 is hereby amended to provide that the reasonably expected maximum principal amount of the Project Funds is \$6.8 million.

SECTION 5. All the recitals in this Resolution are true and correct and the City so finds, determines and represents.