

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING RESOLUTION NO. 09-090 AND IDENTIFYING AND DEDICATING A SOURCE OF REVENUE TO REPAY A SAFE DRINKING WATER STATE REVOLVING FUND (SDWSRF) LOAN IN AN AMOUNT OF \$29.92 MILLION TO FINANCE PROJECT NUMBER 4210010-004 FOR THE ADVANCED TREATMENT PROJECT AT THE WILLIAM B. CATER WATER TREATMENT PLANT AND THE ORTEGA GROUNDWATER TREATMENT PLANT REHABILITATION AND IMPROVEMENTS PROJECT

WHEREAS, On November 17, 2009, the City Council adopted Resolution 09-090 authorizing certain City officials to undertake certain actions as required by a Notice of Application Acceptance (NOAA) issued by the California Department of Public Health (CDPH) to the City of Santa Barbara for a Safe Drinking Water State Revolving Fund (SDWSRF) loan and identifying a source of revenue for repayment of the SDWSRF loan;

WHEREAS, CDPH has issued a NOAA to the City to finance construction of the Advanced Treatment Project (Ozone Project) at the William B. Cater Water Treatment Plant and the Ortega Groundwater Treatment Plant Rehabilitation and Improvements Project (OGTP Rehabilitation Project) collectively identified by CDPH as Project Number 4210010-004; and

WHEREAS, CDPH has requested that Resolution No. 09-090 be amended to replace all references to the "California Department of Water Resources" with the "California Department of Public Health" and to clarify the source of revenue for loan repayment and to dedicate such revenue source to loan repayment.

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

SECTION 1. Resolution No. 09-090, adopted on November 17, 2009, is hereby amended to delete all references to the "California Department of Water Resources" set forth in said Resolution and replace said references with the "California Department of Public Health."

SECTION 2. The source of revenue for repayment of the SDWSRF loan shall be that portion of the Water Fund necessary to make full and complete repayment of the loan with net revenue derived from rates and charges and from that certain Joint Powers Agreement dated July 5, 1978, as amended from time to time, entered into by and

among the City of Santa Barbara, the Montecito Water District, and the Carpinteria Valley Water District.

SECTION 3. The City Council does hereby dedicate that portion of net revenue from the Water Fund derived from rates and charges and from a Joint Powers Agreement dated July 5, 1978, as amended from time to time, entered into by and among the City of Santa Barbara, the Montecito Water District, and the Carpinteria Valley Water District as the pledged collateral and a dedicated source of revenue to repay this SDWSRF loan. This dedication shall remain in full force and effect until such loan is fully discharged, unless modification or change of such dedication is approved in writing by the California Department of Public Health. If for any reason, said source of revenue proves insufficient to satisfy the debt service of the SDWSRF loan, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to meet this loan obligation and to operate and maintain the Ozone Project and the OGTP Rehabilitation Project.

SECTION 4. The City Council does hereby further resolve that fees and charges needed to construct, operate and maintain the Ozone Project and the OGTP Rehabilitation Project, including revenue dedicated to repayment of the SDWSRF loan, have been and will be approved in accordance with Article XIII D of the California Constitution.