

ORDINANCE NUMBER O- 19241 (New Series)

ADOPTED ON DEC 01 2003

AN ORDINANCE PURSUANT TO SECTION 99 OF THE CHARTER OF THE CITY OF SAN DIEGO AUTHORIZING THE EXECUTION OF A STATE REVOLVING FUND LOAN CONTRACT FOR THE EARL THOMAS RESERVOIR PROJECT; AND TAKING RELATED ACTIONS.

WHEREAS, on October 22, 2001, the San Diego City Council adopted Resolution No. R-295592, which authorized the City Manager to apply to the Department of Health Services [DHS] for a Safe Drinking Water State Revolving Fund Loan [SRF Loan] to assist in funding the Alvarado Water Treatment Plant, Earl Thomas Reservoir Replacement Project, CIP No. 73-261.4 [Project]; and

WHEREAS, the City Manager accordingly applied to DHS for the SRF Loan and the City's application was approved for a 20-year loan in the amount of \$21,525,249 at a 2.5132 percent interest rate, which is significantly below the current Water Department bonding rate of 5.5 to 5.75 percent, and will reduce the City's cost of borrowing for the Project; and

WHEREAS, as a condition of making the SRF Loan, the Department of Water Resources [DWR] requires the recipient to, among other things, certify a dedicated source of revenue for repayment of the SRF Loan; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, that the City Manager and Deputy City Manager are authorized to apply for, enter into, conduct all negotiations for, execute, and comply with all requirements of, the SRF Loan Contract for the Project, and any amendments thereto, for a loan principal amount not to exceed \$21,525,249 at a 2.5132 percent interest rate, or less, a copy of which is on file with the Office of the City Clerk as Document No. OO- 19241.

BE IT FURTHER ORDAINED, that the Water Department Director and Deputy Director are authorized to approve Claims for Reimbursement, execute the Budget and Expenditure Summaries,

and certify project completion by signing the Certification of Project Completion under the Safe Drinking Water State Revolving Fund program.

BE IT FURTHER ORDAINED, that the Net System Revenues of the Water Utility Fund pledged under the Master Installment Agreement, as heretofore amended and supplemented as provided in Article B of the SRF Loan Contract, is hereby designated as the dedicated source of funds for repayment of the SRF Loan.

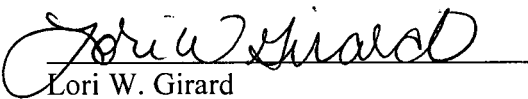
BE IT FURTHER ORDAINED, that the City Auditor and Comptroller is authorized to establish all funds necessary for execution of the SRF Loan Contract.

BE IT FURTHER ORDAINED, that the City agrees to increase rates as appropriate whenever necessary to satisfy debt service over the term of the SRF Loan Contract.

BE IT FURTHER ORDAINED, that a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

BE IT FURTHER ORDAINED, that this ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By   
Lori W. Girard  
Deputy City Attorney

LWG:lc  
10/21/03  
Aud.Cert: n/a  
Or.Dept: Water/CIP Prog. Mgmt.  
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