

ORDINANCE NUMBER O- 20040 (NEW SERIES)

DATE OF FINAL PASSAGE APR 21 2011

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING STATE REVOLVING FUND LOAN APPLICATION FOR THE MIRAMAR WATER TREATMENT PLANT UPGRADE AND EXPANSION PROJECT.

WHEREAS, in February 2009, the Water Department submitted a Safe Drinking Water State Revolving Fund [SDWSRF] Loan application to the California Department of Public Health [CDPH] for the Miramar Water Treatment Plant Upgrade & Expansion Project [Project]. It has been determined by CDPH that Project No. 3710020-030 is eligible for a construction loan in the amount of \$20.0 million, and that funds will be reserved for this Project; and

WHEREAS, The SDWSRF is a low interest (2.3035%) loan program with a fixed rate, allowing up to \$20 million per project. It provides public water systems in California the opportunity to utilize subsidized funding to correct infrastructure problems; and

WHEREAS, the City's Debt Management staff concluded the SDWSRF financing is projected to save rate payers approximately \$17.0 million over the life of the loan, based upon a true interest cost of 5.3% over 30 years for bonds; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor, or his designee, is authorized and empowered to execute, for and on behalf of the City of San Diego, a SDWSRF Loan, Funding Agreement, Amendments, Reimbursement Claims, Final Release form, and take related actions for the Miramar Water Treatment Plant Upgrade & Expansion Project.

Section 2. That the Mayor, or his designee, is authorized and empowered to dedicate revenues from its Water Fund rates, charges and assessments, and financing proceeds on parity

with all other parity obligations of the Water Enterprise Fund in an amount sufficient to repay the SDWSRF loan for the Project, and this dedication shall remain in full force and effect until such Funding Agreement is fully discharged, unless modification or change of such dedication is approved by the CDPH, and if for any reason, said sources of revenue prove 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 this Project.

Section 3. That the City Engineer, or other registered engineer designated by the Mayor, is authorized to execute the Budget and Expenditure Summary and Certificate of Project Completion forms.

Section 4. That the City Engineer, or other registered engineer designated by the Mayor, is authorized to certify that the Project is complete and ready for final inspection.

Section 5. That the Chief Financial Officer is authorized to apply for, accept, appropriate and expend up to \$20,000,000 in State Revolving Fund loans for reimbursement to the Water Fund, contingent upon the City Comptroller certifying that funds are available and contingent upon the loan being secured.


Section 6. That the Chief Financial Officer, upon advice from the administering department, is authorized to transfer excess funds, if necessary, to the appropriate reserves.

Section 7. Authorizing the \$20,000,000 loan to be repaid over 20 years at a 2.3035 percent interest rate.

Section 8. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 9. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

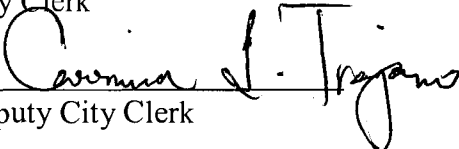
APPROVED: JANE GOLDSMITH, City Attorney

By   
Raymond C. Palmucci  
Deputy City Attorney

RCP:cfq  
2/25/2011  
Or.Dept:Water  
Prolaw 2011-05311

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of APR 12 2011

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 4-21-11  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

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JERRY SANDERS, Mayor