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ORDINANCE NUMBER O- 20207 (NEW SERIES)

DATE OF FINAL PASSAGE OCT 25 2012

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING STATE REVOLVING FUND LOAN
APPLICATION FOR THE UNIVERSITY AVENUE PIPELINE
REPLACEMENT PROJECT.

WHEREAS, in July 2012, the Public Utilities Department [PUD] submitted a Safe Drinking Water State Revolving Fund [SRF] Loan application to the California Department of Public Health [CDPH] for the University Avenue Pipeline Replacement Project [Project]; and

WHEREAS, the funding agreements, when issued for the Project, will provide two loans totaling \$15,300,000 for planning and construction of the Project and will be funded in its entirety by the CDPH SRF Loan Program; and

WHEREAS, the SRF is a low interest loan program with a fixed rate, allowing up to \$20 million per project to provide public water systems in California the opportunity to utilize subsidized funding to correct infrastructure problems, to assess and protect source water, and to improve technical, managerial and financial capability; and

WHEREAS, the current interest rate for the SRF loan borrowing of an eligible project is a low 2.0933% for a 20-year term, thus, utilizing the SRF program for eligible projects results in significant debt service savings when compared to financing with 20-year fixed rate 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 to execute, for and on behalf of the City of San Diego, a CDPH SRF Loan, Funding Agreement, Amendments, Reimbursement Claims, Final Release Form, and take related actions for the Project.

Section 2. That the Mayor, or his designee, is authorized 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 SRF loan for the Project, and this dedication shall remain in full force and effect until such Funding Agreements are 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, 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, Claim Reimbursement 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, accept, appropriate and expend up to \$15,300,000 in SRF loans for reimbursement to the Water Fund, contingent upon the City Comptroller certifying that funds are available and contingent upon the loan being secured.

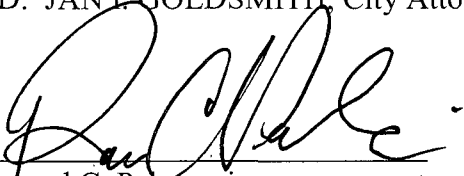
Section 6. That the Chief Financial Officer is authorized, upon advice from the administering department, to transfer excess funds, if necessary, to the appropriate reserves.

Section 7. Authorizing the \$15,300,000 loan to be repaid over 20 years at a 2.0933 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: JAN I. GOLDSMITH, City Attorney

By 
Raymond C. Palmucci
Deputy City Attorney

RCP:cfq
8/22/2012
Or.Dept:Water
Document Number: 416697

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of OCT 16 2012

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 10.25.12
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor