

RESOLUTION NUMBER R- 309849

DATE OF FINAL PASSAGE JUL 15 2015

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO TO AUTHORIZE APPLICATION FOR AND EXECUTION OF THE STATE WATER RESOURCES CONTROL BOARD GRANT APPLICATION AND AGREEMENT FOR THE SORRENTO MESA RECYCLED WATER PIPELINE.

WHEREAS, the State Water Resources Control Board (SWRCB) provides funding for the planning, design, and construction of water recycling projects that offset or augment state fresh water supplies; and

WHEREAS, In May 2015, the Public Utilities Department submitted a Clean Water State Revolving Fund (CWSRF) General Application to the SWRCB for the Sorrento Mesa Recycled Water Pipeline Project (Project); and

WHEREAS, the estimated total Project cost is \$2,837,000, with SWRCB to determine the amount of grant funds upon approval of the application, typically in the amount of 35% of eligible construction costs up to a maximum of \$15,000,000; and

WHEREAS, the Project will construct approximately 1.25 miles of 8-inch polyvinyl chloride (PVC) water pipeline resulting in expansion of the recycled water pipeline system allowing high water demand customers to convert their irrigation and water cooling needs from potable water system to recycled water, which is estimated to offset 200 acre-feet per year of water use from the potable water system to recycled water, reducing the City's imported water quantities; NOW, THEREFORE,

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

1. That the Mayor and/or his designee is authorized to execute and file, for and on behalf of the City of San Diego, a Water Recycling Funding Program (WRFP) Funding Agreement, Amendments thereto, Reimbursement Claims, Final Release Form, and to take related actions for the Financing Agreement from the SWRCB for the Project, and any amendments thereto, and provide the assurances, certifications and commitments required therefor.

2. That the Mayor and/or his designee is authorized to dedicate and pledge revenues from the City's net water fund rates and water fund rates, charges and assessments, bond proceeds and financing as the dedicated source of revenue for matching funds required under the Funding Agreement in an amount sufficient for completion of the Project, CWSRF Project #C-06-8110-110. 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 SWRCB.

3. That this Resolution is authorized by the City to hereby dedicate and pledge the net revenues of the Water Enterprise Fund and the Water Enterprise Fund as a source of revenue for payment of any and all CWSRF financing on the Project, which is the same source of repayment for other outstanding parity and subordinate obligations of the Water system, and this pledged source of revenue shall remain in effect throughout the term of such financing unless modification or change of such pledge is approved in writing by the CWSRF, and so long as the financing agreements are outstanding, the City's pledge hereunder shall constitute a lien in favor of the CWSRF on the foregoing funds and revenues without any further action necessary, and so long as the financing agreements are outstanding, the City commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreements.

4. That the City Engineer or other registered engineer designated by the Mayor is hereby authorized to represent the Department in carrying out the Department's responsibilities under the financing agreement, including approving and submitting disbursement requests (Including Claims for Reimbursement) or other required documentation, to execute the Budget and Expenditure Summary, Claims Reimbursement and Certificate of Project Completion forms, to certify that the Project is complete and ready for final inspection, and to ensure compliance with applicable state and federal laws, and making any other necessary certifications.

5. That the Chief Financial Officer is authorized to apply for, accept, appropriate and expend up to \$992,950 in CWSRF financing for reimbursement to the Water Enterprise Fund, contingent upon the City Comptroller certifying that the funds are available and contingent upon the financing being secured.

6. That the City Comptroller, upon advice from the administering department, is authorized to transfer excess funds, if any, to the appropriate reserves.

7. That the City hereby states its intention and reasonably expects to reimburse expenditures paid prior to the issuance of the obligations or the approval by the CWSRF of the Project Funds.

8. The reasonably expected maximum principal amount of the Project Funds is \$ 992,950. City's SRF financing agreement will not exceed this amount under any circumstances.

9. That this Resolution is being adopted no later than 60 days after the date on which the City will expend monies for the construction portion of the Project costs to be reimbursed with Project Funds.

10. That each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

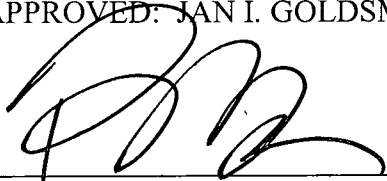
11. That to the best of our knowledge, the City is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

12. That this Resolution is adopted as the official intent of the City in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

13. That all the recitals in this Resolution are true and correct and this City so finds, determines and represents.

APPROVED: JAN I. GOLDSMITH, City Attorney

By



Raymond C. Palmucci  
Deputy City Attorney

RCP:mt  
June 16, 2015  
July 9, 2015 (COR.COPY)  
July 10, 2015 (COR.COPY 2)  
Or.Dept:Public Utilities  
Doc. No.: 1059931

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 14 2015.

ELIZABETH S. MALAND  
City Clerk

By *Mary Leonard*  
Deputy City Clerk

Approved: 7/14/15  
(date)

*Kevin L. Faulconer*  
KEVIN L. FAULCONER, Mayor

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

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUL 14 2015, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUL 15 2015

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER  
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND  
City Clerk of The City of San Diego, California.

(Seal)

By *May Fernandez*, Deputy

Office of the City Clerk, San Diego, California

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