11/10/24 #51
(O-2027-13)

ORDINANCE NUMBER O- 22153 (NEW SERIES)

DATE OF FINAL PASSAGE NOV 10 2026

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING FINANCING THROUGH THE CLEAN WATER STATE REVOLVING FUND AND TAKING RELATED ACTIONS IN CONNECTION WITH THE PUMP STATION 2 IMPROVEMENT AND MODERNIZATION PROJECT.

RECITALS

The Council of the City of San Diego (Council) adopts this Ordinance based on the following:

A. The City of San Diego (City) desires to utilize the repayable Clean Water State Revolving Fund (CWSRF) financing program to finance the cost of the Pump Station 2 Improvement and Modernization Project (Project) because it will result in lower borrowing costs compared to other available financing options.

B. On March 20, 2017, by San Diego Resolution No. R-310991, the San Diego City Council (City Council) authorized the Mayor or representative to sign and submit applications for loans and other financial assistance from the State Water Resources Control Board (Water Board) for wastewater projects.

C. The City intends to finance the construction of the Project with moneys provided by the State of California (State), acting by and through the Water Board from its CWSRF financing program, in a principal amount that is reasonably expected not to exceed $50 million (Project Funds).

D. The Water Board may fund the Project Funds with proceeds from the sale of obligations, the interest upon which is excluded from gross income for federal income tax purposes (Obligations).

E. Prior to either the issuance of the Obligations or the approval by the Water Board of the Project Funds, the City desires to incur certain capital expenditures (Expenditures) with respect to the Project from available moneys of the City.

F. The City has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period, and it is necessary to reimburse the City for the Expenditures from the proceeds of the Obligations.

G. Under San Diego Charter section 99, no contract, agreement, or obligation where the City incurs debt extending for a period of more than five years may be authorized except by ordinance adopted by a two-thirds majority vote of the City Council.

H. The Office of the City Attorney has drafted this ordinance based on the information provided by City staff, with the understanding that this information is complete, true, and accurate.

ACTION ITEMS

Be it ordained by the Council of the City of San Diego:

Section 1. The Mayor, the Chief Operating Officer, or the Chief Financial Officer of the City and each of them or any of their respective designees (Authorized Representatives) are, and each of them acting alone is, hereby authorized to sign and file, for and on behalf of the City, a financial assistance application for a financing agreement from the Water Board for the planning, design, and construction of the Project and to execute and deliver, for and on behalf of the City, related financing agreements, including but not limited to one or more Installment Sale Agreements with the Water Board. The Authorized Representatives are, and each of them acting alone is, authorized and designated to provide the assurances, certifications, and commitments required for the financial assistance application and related financing agreements and to execute

and deliver financing agreements with the Water Board in a principal amount that is reasonably expected not to exceed $50 million, and any amendments or changes thereto necessary to fulfill the purpose of the Project and the financing thereof. The Authorized Representatives are, and each of them acting alone is, authorized and designated to represent the City in carrying out the City's responsibilities under the financing agreements, including certifying disbursement requests on behalf of the City and compliance with applicable State and federal laws.

Section 2. The City hereby dedicates and pledges the net system revenues (Net System Revenues) of the Municipal Sewer Revenue Fund (700000) for the repayment of the CWSRF financing for the Project, 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 Water Board. So long as the financing agreements are outstanding, the City's pledge hereunder shall constitute a lien in favor of the Water Board on the foregoing Net System Revenues without any further action necessary, and so long as the financing agreements are outstanding, the City commits to maintaining the Net System Revenues at levels sufficient to meet its obligations under the financing agreements.

Section 3. The Chief Financial Officer is authorized to create a new fund(s), including the Pump Station 2 Improvement and Modernization Project SRF Fund, to receive and hold the Project Funds, contingent upon the execution of a financing agreement.

Section 4. The authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Ordinance are hereby ratified and affirmed. The Water Board is authorized to rely upon this Ordinance until written notice to the contrary, authorized by the Council, is received by the Water Board. The Water Board shall be

entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the City or in any other document.

Section 5. 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 Water Board of the Project Funds.

Section 6. The City expects to reimburse itself for eligible Expenditures from Project Funds, the repayable principal amount of which is reasonably expected not to exceed $50 million. The City's CWSRF financing agreement will not exceed this amount in repayable principal.

Section 7. The City intends to utilize all or a portion of Project Funds provided by the Water Board, including from any Obligation proceeds, within thirty (30) days of receipt by the City, to repay all or a portion of any legally permissible bridge financing, the interest of which is excluded from gross income for federal income tax purposes (collectively, City Bridge Financing), and will not use any such Obligation proceeds to pay debt service on the City Bridge Financing more than thirty (30) days after receipt by City.

Section 8. The Authorized Representatives are each hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name and on behalf of the City, to take all actions and execute any and all documents necessary or advisable to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Ordinance and the consummation of the transactions contemplated hereby.

Section 9. This Ordinance is being adopted no later than sixty (60) days after the date on which the City will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

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

Section 11. Apart from Resolution No. R-315688 adopted by the City Council and finally passed on July 17, 2024, 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.

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

Section 13. All the recitals in this Ordinance are true and correct and the City so finds, determines, and represents.

Section 14. A full reading of this Ordinance is dispensed with prior to its passage because a written or printed copy was made available to the City Council and the public prior to the day of its passage.

Section 15. This Ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: HEATHER FERBERT, City Attorney

By Marquisha Middaugh
Bret A. Bartolotta
Chief Deputy City Attorney

BAB:jdf
09/08/2026
Or. Dept: DoF
Doc. No. 4541008

I certify that the Council of the City of San Diego adopted this Ordinance at a meeting held on NOV 10 2026.

DIANA J.S. FUENTES
City Clerk

By _____
Deputy City Clerk

Approved: 11/10/26
(date)

_____
TODD GLORIA, Mayor

Vetoed: _____
(date)

_____
TODD GLORIA, Mayor

#51

Passed by the Council of The City of San Diego on November 10, 2026, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	☒	☐	☐	☐
Jennifer Campbell	☐	☐	☒	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☐	☐	☒	☐
Marni von Wilpert	☐	☐	☒	☐
Kent Lee	☒	☐	☐	☐
Raul A. Campillo	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

Date of final passage NOV 10 2026.

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

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By _____, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on OCT 19 2026, and on NOV 10 2026.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By _____, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number **O-22153**