



# STAFF REPORT

CITY COUNCIL OF THE CITY OF SAUSALITO

## AGENDA TITLE:

AUTHORIZING THE CITY MANAGER TO

- (A) SUBMIT A FINANCIAL ASSISTANCE APPLICATION FOR A FINANCING AGREEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE PRIORITY SEWER REHABILITATION PROJECTS,
- (B) CERTIFY THAT THE CITY OF SAUSALITO HAS AND WILL COMPLY WITH ALL APPLICABLE STATE AND FEDERAL STATUTORY AND REGULATORY REQUIREMENTS RELATED TO ANY FINANCING OR FINANCIAL ASSISTANCE RECEIVED FROM THE STATE WATER RESOURCES CONTROL BOARD, AND
- (C) NEGOTIATE AND EXECUTE A FINANCIAL ASSISTANCE AGREEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD AND ANY AMENDMENTS OR CHANGE ORDERS THERETO AND
- (D) CERTIFY FINANCING AGREEMENT DISBURSEMENTS ON BEHALF OF THE CITY OF SAUSALITO

## RECOMMENDED MOTION:

Adopt a Resolution of the City Council of the City of Sausalito Authorizing the City Manager to (see above)

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## SUMMARY

The California State Water Resources Control Board, Division of Financial Assistance administers the State Revolving Fund loan program and is the administering entity for Federal Economic Stimulus moneys for wastewater projects. In order to benefit from those moneys, an application package must be completed that includes (but is not limited to):

1. A legal opinion, including legal citations, addressing the following
  - a. The legal authority to enter into a financing agreement with the State Water Resources Control Board
  - b. Any requirements that the applicant hold an election before entering into a financing agreement contract with the State Water Resources Control Board.

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Item #: 489  
Meeting Date: 4/7/09  
Page #: 1

2. **Applicant Authorization in the form of a certified copy of a resolution adopted by the governing body (this Agenda Item) based on a model resolution provided in the application instructions.**
3. Water Rights Petition for Change (if required)
4. Project Report or Facilities Planning Document--a completed facilities planning document and any supplementary documents that contain the required facilities planning information described in each of the program guidelines
5. Environmental Review compliant with Division of Financial Assistance Environmental Review Process Guidelines for State Loan Applicants
6. A Credit Review Package
7. A Project Schedule
8. Regional Board Requirements adopted or tentative Waste Discharge Requirements, Water Reclamation Requirements, and/or NPDES Permit, and
9. Real Property Acquisitions

In order to amplify the City of Sausalito's "shovel ready" status for Priority Sewer Projects and leverage that standing with respect to Federal Economic Stimulus moneys, Staff recommends that the necessary applicant authorization in the form of a Resolution authorizing the City Manager to submit the application on the City's behalf, etc. at this time.

## **ISSUES**

No outstanding issues not discussed above have been identified.

## **FISCAL IMPACT**

With the exception of Staff time, no fiscal impact is associated with the contemplated action.

**STAFF RECOMMENDATIONS**

Adopt a Resolution of the City Council of the City of Sausalito Authorizing the City Manager to

- (A) SUBMIT A FINANCIAL ASSISTANCE APPLICATION FOR A FINANCING AGREEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE PRIORITY SEWER REHABILITATION PROJECTS,
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**ATTACHMENTS**

Resolution of the City Council of the City of Sausalito Authorizing the City Manager to

- (A) SUBMIT A FINANCIAL ASSISTANCE APPLICATION FOR A FINANCING AGREEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE PRIORITY SEWER REHABILITATION PROJECTS,
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PREPARED BY:  
Director of Public Works




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Jonathon Goldman

REVIEWED BY:  
Interim Finance Director



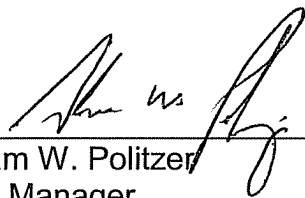
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Charles Francis

REVIEWED BY:  
City Attorney



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Mary Anne Wagner, Esq.

SUBMITTED BY:



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Adam W. Politzer  
City Manager

Item #: 489  
Meeting Date: 4/7/09  
Page #: 4

RESOLUTION No. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAUSALITO  
AUTHORIZING THE CITY MANAGER TO:**

- (A) SUBMIT A FINANCIAL ASSISTANCE APPLICATION FOR A FINANCING AGREEMENT FROM THE STATE WATER RESOURCES CONTROL BOARD FOR THE PLANNING, DESIGN, AND CONSTRUCTION OF THE PRIORITY SEWER REHABILITATION PROJECTS,**
- (B) CERTIFY THAT THE CITY OF SAUSALITO HAS AND WILL COMPLY WITH ALL APPLICABLE STATE AND FEDERAL STATUTORY AND REGULATORY REQUIREMENTS RELATED TO ANY FINANCING OR FINANCIAL ASSISTANCE RECEIVED FROM THE STATE WATER RESOURCES CONTROL BOARD, AND**
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- (D) CERTIFY FINANCING AGREEMENT DISBURSEMENTS ON BEHALF OF THE CITY OF SAUSALITO.**

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**WHEREAS**, the City of Sausalito ("City") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its wastewater system, including pipelines, laterals, manholes, cleanouts, pump stations and other infrastructure (the "Project"); and

**WHEREAS**, the City intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board ("State Water Board"); and

**WHEREAS**, the State 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 (the "Obligations"), and

**WHEREAS**, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the City desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the City; and

**WHEREAS**, 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.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Sausalito:

- 1. 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 State Water Board of the Project Funds.
- 2. The reasonably expected maximum principal amount of the Project Funds is \$7,640,000.
- 3. This Resolution is being adopted no later than 60 days after the date on which the City will expend moneys for the portion of the Project Expenditures to be reimbursed with Project Funds.

4. Each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.
5. To the best of our knowledge, this 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.
6. This Resolution is adopted as 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 Expenditures.
7. All the recitals in this Resolution are true and correct and the City so finds, determines and represents.
8. The City Manager of the City of Sausalito is hereby authorized and directed to sign and file, for and on behalf of the City of Sausalito, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Priority Sewer Rehabilitation Projects
9. The City of Sausalito hereby agrees and further does authorize the aforementioned representative or his/her designee to certify that the City has and will comply with all applicable state and federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Board.
10. The City Manager of the City of Sausalito or his/her designee is hereby authorized to negotiate and execute a financial assistance agreement from the State Water Resources Control Board and any amendments or change orders thereto and certify financing agreement disbursements on behalf of the City of Sausalito.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Sausalito on the 7th day of April, 2009 by the following vote:

**AYES:** Councilmembers:  
**NOES:** Councilmembers:  
**ABSTAIN:** Councilmembers:  
**ABSENT:** Councilmembers:

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MAYOR OF THE CITY OF SAUSALITO

ATTEST:

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DEPUTY CITY CLERK