



STAFF REPORT

CITY COUNCIL OF THE CITY OF SAUSALITO

AGENDA TITLE:

Dedicating Sanitary Sewer Fees as the Source of Revenue for Repayment of State Revolving Fund Financing for City of Sausalito Priority Sewer Projects

RECOMMENDED MOTION:

Adopt a Resolution of the City Council of the City of Sausalito Dedicating Sanitary Sewer Fees as the Source of Revenue for Repayment of State Revolving Fund Financing for City of Sausalito Priority Sewer Projects

SUMMARY

The California State Water Resources Control Board, Division of Financial Assistance administers the State Revolving Fund ("SRF") loan program and is the administering entity for Federal Economic Stimulus monies for wastewater projects. With Resolution 5016 of April 7, 2009 Council authorized the City Manager to (among other things) apply for SRF funding and negotiate and execute a financial assistance agreement for the City's Priority Sewer Projects. In order to benefit from SRF monies, the State requires dedication of a revenue stream for re-payment of any financing the City utilizes from the State's program. Staff has prepared a resolution based on the template provided by the State in order to make the assurances necessary when the City elects to accept funding from the SRF funding program.

ISSUES

None identified.

FISCAL IMPACT

Fiscal impact would accrue with the decision to accept funding from the SRF. The dedication of revenue simply ensures that the sewer charges the City receives would be used to re-pay any obligations made at that time.

STAFF RECOMMENDATIONS

Adopt a Resolution of the City Council of the City of Sausalito Dedicating Sanitary Sewer Fees as the Source of Revenue for Repayment of State Revolving Fund Financing for City of Sausalito Priority Sewer Projects

ATTACHMENTS

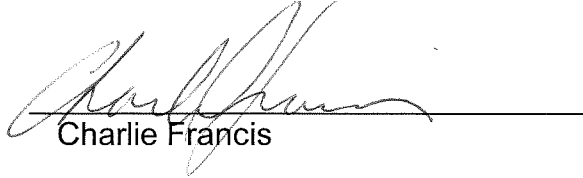
A Resolution of the City Council of the City of Sausalito Dedicating Sanitary Sewer Fees as the Source of Revenue for Repayment of State Revolving Fund Financing for City of Sausalito Priority Sewer Projects

PREPARED BY:
Director of Public Works



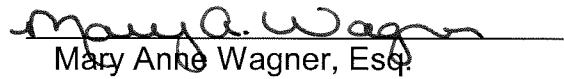
Jonathon Goldman

REVIEWED BY:
Administrative Services Director/Treasurer



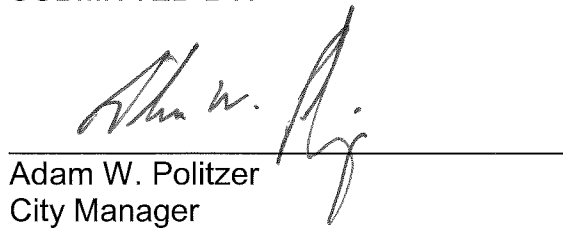
Charlie Francis

REVIEWED BY:
City Attorney



Mary Anne Wagner, Esq.

SUBMITTED BY:



Adam W. Politzer
City Manager

RESOLUTION No. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAUSALITO
DEDICATING SANITARY SEWER FEES AS THE SOURCE OF REVENUE
FOR REPAYMENT OF STATE REVOLVING FUND FINANCING FOR CITY
OF SAUSALITO PRIORITY SEWER PROJECTS**

WHEREAS, with Resolution 5016 of April 7, 2009 the City of Sausalito (the "City") expressed its desire 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, with said Resolution 5016 the City expressed its intention to finance the construction and/or reconstruction of the Project or portions of the Project with monies ("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, approval by the State Water Board of the Project Funds requires dedication of a revenue source to re-payment of any and all financing received from the State Water Board; and

WHEREAS, with Ordinance 1196 of July 17, 2009 the City enacted Sanitary Sewer Fees taking into account the need to finance significant capital improvements to benefit the ratepayers and the environment; and

WHEREAS, the recited basis for the Sanitary Sewer Fees enacted by said Ordinance 1196 included a Sanitary Sewer Fee Study Report that included provisions for re-payment of financing contemplated in order to complete the capital improvements identified as necessary.

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

Hereby dedicates Sanitary Sewer Fees collected by the City to repayment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the City's project to construct and/or reconstruct certain public facilities and improvements relating to its wastewater system, including pipelines, laterals, manholes, cleanouts, pump stations and other infrastructure. This dedication of the source of revenue shall remain in effect throughout the term of such financing unless modification or change of such dedication is approved in writing by the State Water Resources Control Board.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Sausalito on the 16th day of March, 2010 by the following vote:

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

MAYOR OF THE CITY OF SAUSALITO

ATTEST:

CITY CLERK

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