



STAFF REPORT

CITY COUNCIL OF THE CITY OF SAUSALITO

AGENDA TITLE:

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

RECOMMENDED MOTION:

Rescind Resolution No. 5120 and Adopt a Resolution of the City Council of the City of Sausalito Dedicating Sanitary Sewer Net Revenues as the Source of Revenue for Repayment of State Revolving Fund Financing for City of Sausalito Priority Sewer Projects

SUMMARY

With Resolution No. 5120 adopted March 16, 2010 the City dedicated Sanitary Sewer Fees as the source of revenues for repayment of State Revolving Fund ("SRF") loans. Since that time, the California State Water Resources Control Board, Division of Financial Assistance (administrator of the SRF) has changed its requirements for the wording of the dedication resolution. Staff has prepared the attached new resolution based on the State's requirements in order to make the assurances necessary when the City elects to accept funding from the SRF funding program. Staff recommends rescinding Resolution No. 5120 and adopting the attached resolution.

ISSUES

None identified.

FISCAL IMPACT

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

STAFF RECOMMENDATIONS

Rescind Resolution No. 5120 and Adopt a Resolution of the City Council of the City of Sausalito Dedicating Sanitary Sewer Net Revenues as the Source of Revenue for Repayment of State Revolving Fund Financing for City of Sausalito Priority Sewer Projects

ATTACHMENTS

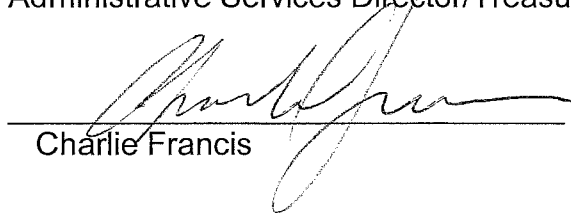
A Resolution of the City Council of the City of Sausalito Dedicating Sanitary Sewer Net Revenues as the Source of Revenue for Repayment of State Revolving Fund Financing for City of Sausalito Priority Sewer Projects

PREPARED BY:
Director of Public Works



Jonathon Goldman

REVIEWED BY:
Administrative Services Director/Treasurer



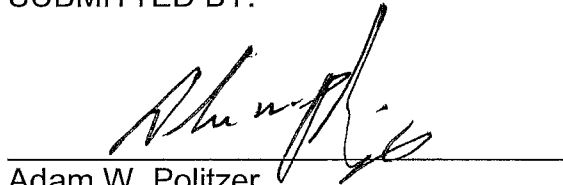
Charlie Francis

REVIEWED BY:
City Attorney



Mary Anne Wagner, Esq.

SUBMITTED BY:



Adam W. Politzer
City Manager

RESOLUTION NO. 5120 _____

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

WHEREAS, with Resolution No. 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 No. 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 No. 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 No. 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; and

WHEREAS, the State Water Board has revised its requirements for wording of an applicant's dedication of fees since the City Council of the City of Sausalito adopted Resolution No. 5120 with action of March 16, 2010.

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

Hereby rescinds Resolution No. 5120 and dedicates Sanitary Sewer Fees ~~net revenues~~ 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~~ the 7th day of ~~March~~ December, 2010 by the following vote:

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

MAYOR OF THE CITY OF SAUSALITO

ATTEST:

CITY CLERK