

RESOLUTION NO. 28887

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING A FUND-TO-FUND LOAN FROM THE LOCAL WASTE WATER UTILITY FUND TO THE SUBREGIONAL WASTE OPERATIONS FUND FOR THE PURCHASE AND ACQUISITION COSTS OF AGRICULTURAL LAND FOR BIOSOLID APPLICATION.

WHEREAS, the Local Waste Water Utility Fund has undesignated fund balances to loan to the Subregional Waste Water Fund in the sum of up to \$2.1 million for the purchase and associated acquisition costs of agricultural land for biosolid application located at 7630-7650 Lakeville Hwy, Petaluma, California; and

WHEREAS, such available funds are currently invested earning interest in the City's investment fund at an average rate of interest of 0.9%; and

WHEREAS, such available funds are projected to remain available during the term of the proposed loan; and

WHEREAS, the Subregional Waste Operations Fund has agreed to pay an interest rate of 2.5% per annum and the funds will accrue simple interest from the date the funds are received by the Subregional Waste Operations Fund and will be amortized over eight years with an annual payment due beginning July 1, 2017 with no prepayment penalty; and

WHEREAS, the Local Waste Water Utility Fund benefits from the loan by being able to earn a reasonable interest rate on undesignated funds that is higher than average from the City's investment fund rate; and

WHEREAS, the Subregional Waste Operations Fund benefits from the loan because the funds will allow for the purchase of land for biosolid application which is supported by the Board of Public Utilities and the Subregional Partners.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa approves a fund-to-fund loan from the Local Waste Water Utility Fund to the Subregional Waste Operations Fund for the purchase and acquisition costs of agricultural land for biosolid application.

BE IT FURTHER RESOLVED that the Council authorizes the Finance Director to appropriate up to \$2.1 million from the Local Waste Water Operations Fund, 001621 to the Subregional Wastewater Capital fund 001639, JL 70345, based on actual purchase price and expenses at close of escrow, and further authorizes and directs the Chief Financial Officer to

make regular annual payments of principal and interest on the Fund-to-fund Loan from the Subregional Wastewater Capital Fund 001639, to the Local Wastewater Operations Fund 001621 until the fund-to-fund loan and any accrued interest thereon has been paid in full.

IN COUNCIL DULY PASSED this 6th day of December, 2016.

AYES: (7) Mayor Sawyer, Vice Mayor Schwedhelm, Council Members Carlstrom, Combs, Coursey, Olivares, Wysocky

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: \_\_\_\_\_  
City Clerk

APPROVED: \_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Interim City Attorney