

RESOLUTION NO. 28775

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING A SANTA ROSA WATER INTERNAL FUND-TO-FUND LOAN FOR FINANCING THE PURCHASE OF BUFFER PROPERTY ADJACENT TO THE LAGUNA TREATMENT PLANT

WHEREAS, The Board of Public Utilities (BPU) has approved the purchase of 4090 Walker Avenue, within the terms and conditions outlined by the BPU, subject to a life estate, for strategic buffer property adjacent to the Laguna Treatment Plant (the "Property"); and

WHEREAS, Santa Rosa Water's Local Wastewater Utility available funds are currently invested earning interest in the City's investment fund at an average rate of interest of .77%; and

WHEREAS, such available funds are projected to remain available; and

WHEREAS, the Subregional Waste Operations Fund does not have immediate funds available for the purchase of the Property and the Subregional System partners have expressed interest in obtaining an inter-fund loan from the Local Wastewater Utility Fund; and

WHEREAS, the Subregional System partners have agreed to pay an interest rate of 2.5% per annum, simple interest from the date the funds are received by the Subregional Waste Operations Fund to be amortized over five (5) years with a monthly payment due beginning July 1, 2016, and with no prepayment penalty; and

WHEREAS, the Local Wastewater 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 strategic buffer property adjacent to Laguna Treatment Plant with reasonable financing costs.

NOW, THEREFORE, BE IT RESOLVED that the Council approves a Santa Rosa Water fund-to-fund loan from the Local Wastewater Utility Fund to the Subregional Waste Operations Fund in the amount necessary to finance the acquisition of the 4090 Walker Avenue property for buffer property adjacent to the Laguna Treatment Plant on the terms herein set forth.

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BE IT FURTHER RESOLVED that the Council hereby authorizes the Chief Financial Officer to appropriate up to \$600,000 from the Local Wastewater Operations Fund 001621 to the Subregional Wastewater Capital Fund 001639, JL 70345, based on actual purchase price at close of escrow, and further authorizes and directs the Chief Financial Officer to make regular monthly payments of principal and interest on the Fund Loan from the Subregional Wastewater Capital Fund 001639, JL 70345 to the Local Wastewater Operations Fund 001621 until the Fund Loan and any accrued interest thereon has been paid in full.

IN COUNCIL DULY PASSED this 10th day of May, 2016.

AYES: (6) Mayor Sawyer, Vice Mayor Schwedhelm, Council Members Carlstrom, Combs, Coursey, Wysocky

NOES: (0)

ABSENT: (1) Council Member Olivares

ABSTAIN: (0)

ATTEST: _____ APPROVED: _____
Interim City Clerk Mayor

APPROVED AS TO FORM:

City Attorney