

DRAFT RESOLUTION

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING AND DIRECTING EXECUTION OF A CONSTRUCTION INSTALLMENT SALE AGREEMENT WITH THE STATE WATER RESOURCES CONTROL BOARD AS PART OF ITS CLEAN WATER STATE REVOLVING FUND PROGRAM, AND AUTHORIZING AND DIRECTING ADDITIONAL ACTIONS WITH RESPECT THERETO

In 2011, the City of Stockton adopted the Capital Improvement and Energy Management Plan (CIEMP), identifying projects at the Regional Wastewater Control Facility required to maintain compliance with the National Pollutant Discharge Elimination System (NPDES); and

In 2015, the City of Stockton prepared its 2015-2020 Capital Improvement Plan, identifying projects to be initiated during such period of time, including the Regional Wastewater Control Facility Modifications Project (Project), and began pursuing multiple low-interest sources of financing for the Project, including a loan from the U.S. Environmental Protection Agency through its Water Infrastructure Finance and Innovation Act (WIFIA) program, which loan was obtained by the City in 2020; and

In 2017, pursuant to Resolution 2017-10-03-1105-01 (Prior Resolution), the Council authorized City staff to pursue low-interest cost financing for a portion of the Project from the State Water Resources Control Board (State Water Board) through its Clean Water State Revolving Fund Program, and City staff and consultants have negotiated with the State Water Board the Construction Installment Sale Agreement (Agreement) pursuant to which the funding will be provided to the City for the Project, which Agreement is now in substantially final form; and

The information required to be obtained and disclosed by the Council in accordance with Government Code Section 5852.1 with respect to the Agreement is set forth in the staff report accompanying this Resolution; and

In connection with the foregoing, it is in the public interest and for the public benefit that the Council now confirm the prior actions of City staff with respect to the negotiation of the terms of the Agreement, and approve the execution of the Agreement and related actions; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. For the purpose of providing a portion of the funding of the Project, the Council hereby confirms its actions in the Prior Resolution and directs entrance into the

Agreement with the State Water Board. Amounts due under the Agreement shall be payable by the City from the net revenues of the City's wastewater system and subject to the other terms and conditions set forth in the Agreement as finally executed and delivered; provided, that the project funding amount thereunder shall not exceed \$46,800,000 and the interest rate payable by the City thereunder shall not exceed 0.9%. Subject to the foregoing, the City Manager, Chief Financial Officer or a designee of either (each, an "Authorized Officer") is hereby authorized and directed, for and in the name and on behalf of the City, to execute the Agreement, substantially in the form on file with the Council, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions

2. In connection with entrance into the Agreement and the financing described in this Resolution, the firm of Del Rio Advisors LLC is hereby designated to serve as municipal advisor to the City, and the firm of Jones Hall, A Professional Law Corporation, is hereby designated to serve as special counsel to the City. Compensation to said firms may be payable from the proceeds obtained by the City under the Agreement or other available funds of the wastewater system.

3. The City Manager, Chief Financial Officer and City Clerk (including anyone holding any such position in an interim capacity) are each authorized and directed in the name and on behalf of the City to execute and deliver any and all assignments, certificates, requisitions, agreements, notices, consents, warrants, schedules and other documents, which they or any of them deem necessary or appropriate to consummate the financing contemplated by the Agreement and to carry out the intent of this Resolution. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

4. The City Manager is authorized to increase revenue and expenditure budget appropriations based on the loan funds received and take appropriate and necessary actions to carry out the purpose and intent of this Resolution.

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5. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, and ADOPTED November 2, 2021.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

ELIZA R. GARZA, CMC
City Clerk of the City of Stockton