

RESOLUTION NO. 2023-023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN BUENAVENTURA, CALIFORNIA, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT WITH THE CITY OF SAN BUENAVENTURA PUBLIC FACILITIES FINANCING AUTHORITY AND THE ISSUANCE OF A PROMISSORY NOTE EVIDENCING ITS OBLIGATIONS THEREUNDER, A WIFIA CREDIT AGREEMENT WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE CITY OF SAN BUENAVENTURA PUBLIC FACILITIES FINANCING AUTHORITY AND A RELATED TERM SHEET, FOR THE PURPOSE OF PROVIDING FINANCING FOR THE WASTEWATER PORTION OF THE VENTURAWATERPURE PROJECT, AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, in order to provide additional water supply and environmental benefits, the City of San Buenaventura (the "City") is undertaking a project to recover, treat and reuse water that is currently discharged into the Santa Clara River Estuary, known as the VenturaWaterPure Project, which will divert treated wastewater from the City's wastewater treatment facility to a new Advanced Water Purification Facility where it will be treated to drinking water standards and injected into a local groundwater basin for later use (as more particularly defined in the hereinafter defined Credit Agreement, the "Project"); and

WHEREAS, the City owns and operates a system for the collection, treatment and disposal of wastewater within the service area of the City (the "Wastewater System") and a system for the supply, treatment and distribution of water within the service area of the City (the "Water System"), and the costs of the Project will be allocated between the Wastewater System and the Water System; and

WHEREAS, in order to provide funds to finance a portion of the Project which is allocable to the Wastewater System (the "Wastewater System WIFIA Portion of the Project"), the City has proposed to enter into an Installment Sale Agreement (the "Installment Sale Agreement") with the City of San Buenaventura Public Facilities Financing Authority (the "Authority"), under which the Authority will agree to provide funds for that purpose and to sell the completed Wastewater System WIFIA Portion of the Project to the City in consideration of the agreement by the City to pay semiannual installment payments (the "Installment Payments") as the purchase price thereof; and

WHEREAS, in order to evidence its obligations under the Installment Sale Agreement, the City has proposed to issue a promissory note as provided in the Installment Sale Agreement (the "WIFIA Note"); and

WHEREAS, the Authority and the City have proposed to enter into a WIFIA Credit Agreement (designated as WIFIA – N20179CA, the "Credit Agreement") with the United States Environmental Protection Agency, an agency of the United States of America, acting by and through the Administrator of the Environmental Protection Agency (the "EPA"), under which the EPA will provide funding for the Wastewater System WIFIA Portion of the Project under the Water Infrastructure Finance and Innovation Act ("WIFIA"), in consideration of the agreement by the Authority to assign the Installment Payments and other rights of the Authority under the Installment Sale Agreement and the WIFIA Note to the EPA pursuant to an Assignment Agreement between the Authority, as assignor, and the EPA, as assignee; and

WHEREAS, the material terms and provisions of the financing are set forth in a Term Sheet which has been provided to the City and the Authority by the EPA (the "Term Sheet"), and the EPA has requested the City and the Authority to acknowledge and agree to the Term Sheet; and

WHEREAS, the Installment Payments and the Other WIFIA Payments (as defined in the Credit Agreement and the Installment Sale Agreement) will be secured by a pledge of and lien on the net revenues of the Wastewater System, on a parity with pledge and lien which secures the following outstanding obligations of the City:

- (a) the installment payment obligations of the City under that certain Installment Sale Agreement dated as of November 1, 2014, between the City and the Authority, and
- (b) the City of San Buenaventura 2020 Refunding Wastewater Revenue Bonds (Federally Taxable); and

WHEREAS, the City Council wishes at this time to authorize the execution, delivery and issuance of the Credit Agreement, the Installment Sale Agreement, the WIFIA Note and the Term Sheet (collectively, the "Financing Agreements"), and to approve related documents and actions in order to provide funding for the Wastewater System WIFIA Portion of the Project; and

WHEREAS, the City is a charter city of the State of California, and is authorized under its municipal affairs powers and under the general laws of the State of California to enter into and perform its obligations under the Financing Agreements; and

WHEREAS, as required by Government Code Section 5852.1 enacted January 1, 2018 by Senate Bill 450, attached hereto as Exhibit A is the information relating to the Financing Agreements that has been obtained by the City Council and is hereby disclosed and made public; and

WHEREAS, the City Council has previously approved a debt policy which complies with Government Code Section 8855, and the execution, delivery and issuance of the Financing Agreements will be in compliance with said policy; and

WHEREAS, the City Council of the City has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the City.

NOW, THEREFORE, the City Council of the City of San Buenaventura does hereby resolve, find, determine and order as follows:

Section 1: Findings and Determinations. The City Council hereby finds and determines that the foregoing recitals of this Resolution are true and correct in all respects.

Section 2: Execution, Delivery and Issuance of Financing Agreements. The City Council hereby authorizes the execution, delivery and issuance of the Credit Agreement, the Installment Sale Agreement, the WIFIA Note and the Term Sheet for the purpose of providing funds to finance the Wastewater System WIFIA Portion of the Project. The Financing Agreements are hereby approved in substantially the respective forms on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the Mayor, the City Manager or the Chief Financial Officer (each, an "Authorized Officer"), provided that the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest to, the final form of each of the Financing Agreements in the name and on behalf of the City.

Section 3: Official Actions. The Mayor, the City Manager, the Chief Financial Officer, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions described herein. Any such actions previously taken by such officers are hereby ratified and confirmed. 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.

Section 4: Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

The foregoing Resolution was adopted by the City Council of San Buenaventura on March 27, 2023, by the following vote:

Ayes: Councilmembers Duran, McReynolds, Halter, Deputy Mayor Sanchez-Palacios, and Mayor Schroeder


Noes: Councilmembers Campos, Johnson

Absent: None



Joe Schroeder, Mayor

ATTEST:



Michael MacDonald, CMC
Secretary



APPROVED AS TO FORM
Andrew Heglund, Authority
Attorney

By: 
Miles Hogan
Assistant Authority Attorney

3/17/2023
Date

Exhibit A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

1. True Interest Cost of the Installment Payments (Estimated): 4.03%.
2. Finance charge of the Installment Sale Agreement and the Credit Agreement, being the sum of all fees and charges paid to third parties, in the amount of approximately \$518,120.
3. Proceeds of the Installment Sale Agreement and the Credit Agreement expected to be received by the City, net of proceeds for finance charges in (2) above (Estimated): \$109,750,343. No portion of such proceeds will be applied to pay capitalized interest on the Installment Payments or to establish a reserve fund for the Installment Payments.
4. Total Installment Payments to be paid to final maturity (Estimated): \$238,609,267.

**All amounts and percentages are estimates, and are made in good faith by the City based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding the final terms and provisions of the Installment Sale Agreement and the Credit Agreement.*