

RESOLUTION NO. 3980

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
AUTHORIZING A LOCAL MATCH AGREEMENT FOR THE STATE REVOLVING
FUND FINANCIAL ASSISTANCE FOR THE CITY OF SOLEDAD WASTEWATER
TREATMENT AND DISPOSAL FACILITIES UPGRADE AND EXPANSION PROJECT**

WHEREAS, the City Council of the City of Soledad desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the City of Soledad intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (the "Board"); and

WHEREAS, the 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, prior to either the issuance of the Obligations or the approval by the Board of the Project Funds the City of Soledad desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the City of Soledad; and

WHEREAS, the City of Soledad has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the City of Soledad for the Expenditures from the proceeds of the Obligations; and

WHEREAS, the estimated total State Revolving Fund (SRF) financing agreement amount requested is \$54,400,000 of the total estimated project cost of \$70,000,000; and

WHEREAS, if the City wishes to minimize interest on its SRF financing agreement, it must execute a "Local Match Resolution" whereby the City commits to pay a portion of the Project costs with available funding.

NOW THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Soledad Authorizes a "Local Match Financing" Agreement for the State Revolving Fund (SRF) financing for the City of Soledad Wastewater Treatment and Disposal Facilities Upgrade and Expansion Project of Said Loan.

BE IT FURTHER RESOLVED that the City of Soledad hereby agrees to the following in return for a "Local Match Financing Agreement" State Revolving Fund (SRF) Financing:

SECTION 1. To contribute the State match share equal to 16.667 percent of the eligible project costs, in an estimated amount of \$11,100,000.

SECTION 2. To pay an administrative fee of up to 0.575% of the eligible project cost for the administrative match amount, if requested by the State Water Resources Control Board (State Water Board), prior to the issuance of the local match SRF financing agreement contract, provided that the fee shall be waived by the State Water Board if sufficient monies to fund the administrative match are available from other sources.

SECTION 3. To establish a state match account for the project, and deposit sufficient funds, as necessary, to make the state match payments to the contractor(s).

SECTION 4. To provide the State Water Board, Division of Financial Assistance (Division) a certification with each progress payment request stating that the appropriate state match amount for the requested payment has been paid to the contractor(s).

SECTION 5. To provide the Division with copies of the cancelled checks documenting payment of the state match amount, on a quarterly basis.

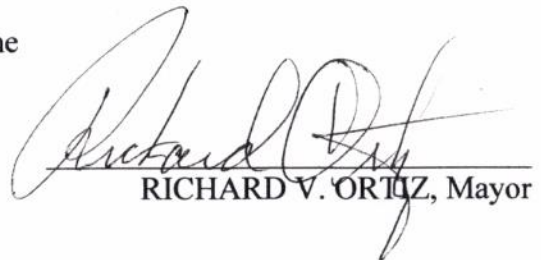
PASSED AND ADOPTED at a regular meeting of the City Council of the City of Soledad duly held on the 2nd day of May 2007, by the following vote:

AYES, and in favor thereof, Councilmembers: Martha Camacho, Juan Saavedra, Patricia Stephens, Mayor Pro Tem Christopher Bourke, Mayor Richard Ortiz

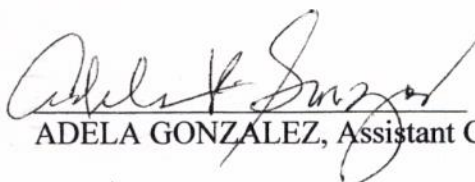
NOES, Councilmembers: None

ABSTAIN, Councilmembers: None

ABSENT, Councilmembers: None


RICHARD V. ORTIZ, Mayor

ATTEST:


ADELA GONZALEZ, Assistant City Clerk

***Amended to correct language per the request of the State Water Resources Control Board State Revolving Fund by City of Soledad Resolution No. 4203 on May 7, 2008**