

RESOLUTION NO 1115

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES RECOMMENDING THAT CITY COUNCIL APPROVE A SANTA ROSA WATER INTERNAL FUND-TO-FUND LOAN FOR FINANCING THE PURCHASE OF STRATEGIC 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; and

WHEREAS, Santa Rosa Water's Local Waste Water 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 this property and the Subregional System partners have expressed interest in obtaining an fund-to-fund loan from the Local Waste Water Utility Fund.

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 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 strategic buffer property adjacent to Laguna Treatment Plant with reasonable financing costs.

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

DULY AND REGULARLY ADOPTED by the City of Santa Rosa Board of Public Utilities this 21st day of April, 2016.

AYES: (7) Galvin, Kaun, Arnone, Dowd, Holt, Tibbetts, and Watts


NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

APPROVED: 
Chairman Daniel J. Galvin, III

ATTEST: 
Gina Perez
Recording Secretary

APPROVED AS TO FORM:

City Attorney