

RESOLUTION NO. 81-22

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
AUTHORIZING THE CITY MANAGER TO APPLY FOR STATE
REVOLVING FUND FINANCIAL ASSISTANCE, AMENDING, THE SRF
INSTALLMENT SALE AGREEMENT OR EXECUTING A NEW
INSTALLMENT SALE AGREEMENT TO INCREASE THE AMOUNT OF
AVAILABLE FINANCING, AND AUTHORIZING THE EXECUTION OF
SUCH AGREEMENT, AND ANY OTHER ACTION REQUIRED, FOR
PURPOSES OF THE LOAN**

**THE CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the City of Morro Bay (the "City") plans to maximize financing available for the acquisition, design, construction and equipping of a new water reclamation facility and related improvements (the "Project"); and

WHEREAS, in order to fund the Project, in June of 2021, the City Council authorized the City to take out a State Revolving Fund (SRF) construction loan or installment sale agreement of up to \$85 million including the \$5 million in principal forgiveness from the State of California SRF Loan Program; and

WHEREAS, the City now desires to finance the remaining costs of the Project by increasing the maximum loan amount to \$87,777,000; and

WHEREAS, the City must provide certain information regarding the ability to meet the debt repayment terms of the amended loan agreement/installment sale agreement or an additional loan agreement/installment sale agreement (herein defined as "Financial Assistance Agreement") and the City will provide such information and good faith estimates; and

WHEREAS, amending the construction SRF Installment Sale Agreement to increase the amount of available financing is consistent with the City's debt management policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORRO BAY, AS FOLLOWS:

SECTION 1. The City Manager (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of Water Reclamation Facility Program (the "Project").

SECTION 2. This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a Financial Assistance Agreement from the State Water Resources Control Board and any amendments or changes thereto.

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SECTION 3. The Authorized Representative, or his/her designee, is designated to represent the City in carrying out the City's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the City and compliance with applicable state and federal laws.

PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting thereof held on the 23rd day of August 2022 by the following vote:

AYES: Heading, Addis, Barton, Ford, Heller
NOES: None
ABSENT: None
ABSTAIN: None



JOHN HEADDING, Mayor

ATTEST:




DANA SWANSON, City Clerk

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Dana Swanson, City Clerk of the City of Morro Bay, hereby attest to and certify that the foregoing Resolution No. 81-22 is the original resolution adopted by the Morro Bay City Council at its regular meeting held on the 23rd day of August 2022, by the following vote:

AYES: Heading, Addis, Barton, Ford, Heller
NOES: None
ABSENT: None



City Clerk

