

RESOLUTION NO. 2021-09

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN
BAUTISTA OF DECLARING ITS PRELIMINARY INTENTION TO PROCEED
WITH THE ISSUANCE OF SERIES 2021 BOND ANTICIPATION NOTES, AND
APPOINTING THE NECESSARY CONSULTANTS IN CONNECTION
THEREWITH**

WHEREAS, for decades the City has relied upon source water from wells, that is notoriously “hard,” high in minerals, and includes a high level of salt; and

WHEREAS, these wells are often subject to high nitrate levels causing them to be closed prematurely; and

WHEREAS, high salt levels being discharged into the creek currently exceed the National Pollution Discharge Elimination System (“NPDES”) permit levels, causing a violation of the Permit; and

WHEREAS, following a June 2019 EPA inspection of the City’s Treatment Plant, and for the past year, the City has been working towards re-gaining compliance with its NPDES Permit enforced by the Environmental Protection Agency (“EPA”) and the Regional Water Quality Board; and

WHEREAS, in October 2019, the City hired a project manager to assist with the development of a Water and Waste Water Master Plan, and during the process of completing these plans, it was determined that the high levels of salt being discharged into the creek at the Waste Water Treatment Plant are introduced from its source of ground water and passed through the Plant to the creek; and

WHEREAS, on April 20, 2020, the City Council (the “Council”) appointed its Water Subcommittee consisting of Council Members Leslie Q. Jordan and John Freeman; and

WHEREAS, on August 8, 2020, the Council adopted Resolution 2020-42, and the City and EPA executed an Administrative Order on Consent (“AOC”), agreeing to resolve the City’s NPDES violations by December 2023, setting forth a schedule by which certain milestones will be reached; and

WHEREAS, on October 6, 2020, the Council held a Town Hall meeting to discuss its options for solving the City’s source water and waste water compliance issues; and

WHEREAS, on October 15, 2020, the Council approved Resolution 2020-51, and agreed to two compliance projects from the analysis provided in the Preliminary Engineers Report (“PER”): “Alternative 3: Regionalization with Hollister WWTP and Off-Site Source Control (Hollister Water Treatment Plant operated by the City of Hollister, and West Hills Water Treatment Plant operated by the San Benito County Water District);” and

WHEREAS, the EPA AOC requires that the City develop a finance plan for these projects and on January 19, 2021 adopted Resolution 2021-02 agreeing to work with specialist in municipal financing California Municipal Advisors to develop this comprehensive finance plan; and

WHEREAS, the City has received two responsible proposals to initiate the design of this project, and is ready to award one of these engineering firms an agreement to design the Sewer Force Main to the Hollister Regional Treatment Plant, (“Project”); and

WHEREAS, the City will have to acquire a bridge-loan to temporarily finance the design and construction of the Project knowing that potential funding resources from rate payers, the State, and Federal government will provide permanent long-term financing; and

WHEREAS, the Council, after due investigation and deliberation, has determined that it is in the public interests of the City at this time to provide for the financing for the design and construction of the Project, as well as all necessary work and appurtenances thereto in accordance with the applicable plans and specifications there to for; and

WHEREAS, the City is working with closely with USDA and the State Regional Water Quality Control Board on the long-term bond financing solution for the Project; and

WHEREAS, it is a requirement of USDA that the City must obtain interim financing for acquisition and construction of the Project, and that USDA will provide the 40-year long-term take-out financing once the Project has been completed; and

WHEREAS, the Council, after due investigation and deliberation, has determined that it is in the public interests of the City at this time to consider issuing its Series 2021 Bond Anticipation Notes (the “Notes”) for the purpose of financing the Project (the “Financing”); and

WHEREAS, the City is authorized under the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 7. 7 (commencing with Section 53859) of the California Government Code (the “Bond Law”), to issue its bond, loan or grant anticipation notes for the purpose of financing the Project; and

WHEREAS, in order to efficiently accomplish the Financing, the City desires to appoint California Municipal Advisors LLC as Financial Advisor and The Weist Law Firm as Bond Counsel to provide the necessary professional services in connection therewith; and

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. Recitals and Findings. The City Council hereby specifically finds and declares that each of the statements, findings and determinations of the City set forth in the recitals set forth above and accompanying staff report are true and correct and that the Financing will result in public benefits to the City and its ratepayers.

Section 2. Preliminary Intention to Proceed. The Council hereby determines that it is necessary and desirable to proceed with the Financing, subject to final authorization thereof by resolution of the City at a subsequent meeting held for such purpose. This Resolution does not bind the City to ultimately provide for the Financing.

Section 3. Authorized Representatives. The Mayor, Vice Mayor, City Manager and any other person authorized by the City Manager to act on behalf of the City shall each be an "Authorized Representative" of the City for the purposes of structuring the Notes and providing for the matter to be brought back to the Council for further consideration at a subsequent Council Meeting, and are hereby authorized, jointly and severally, in each of their discretion, to effectuate the actions which the Council has approved in this Resolution.

Section 4. Professional Services. The Council hereby appoints California Municipal Advisors LLC as Financial Advisor, and The Weist Law Firm as Bond Counsel, in connection with the Financing described in this Resolution. The City Manager is authorized and directed to execute agreements with these firms in the respective forms on file with the City Clerk.

Section 5. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.


PASSED, APPROVED AND ADOPTED this 16th day of February, 2021, by the following roll call vote:

AYES: Jordon, Edge, Flores, Freels, Freeman

NOES: None

ABSENT: None

ABSTAIN: None



Leslie Q. Jordan, Mayor

ATTESTED:



Trish Paetz, Deputy City Clerk