

CITY OF COALINGA

RESOLUTION NO. 3988

RESOLUTION AUTHORIZING THE COMMENCEMENT OF PROCEEDINGS IN CONNECTION WITH THE ISSUANCE AND SALE OF REVENUE BONDS BY THE COALINGA PUBLIC FINANCING AUTHORITY TO FINANCE AND REFINANCE WATER SYSTEM AND SEWER SYSTEM IMPROVEMENTS, RETAINING A MUNICIPAL ADVISOR, AN UNDERWRITER, BOND COUNSEL AND DISCLOSURE COUNSEL AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the City Council (the "Council") of the City of Coalinga (the "City"):

WHEREAS, the City has determined that is prudent at this time to issue and sell its revenue bonds (the "Bonds"), in one or more series, by the Coalinga Public Financing Authority (the "Authority") to finance and refinance improvements to the City's municipal water enterprise (the "Water System") and the City's municipal sewer enterprise (the "Sewer System" and, with the Water System, the "Systems"), including to (a) refund, on an advance basis, the outstanding Coalinga Public Financing Authority (Fresno County, California) Revenue Bonds, Series 2012 (Water and Wastewater Financing Projects), issued to finance and refinance the costs of improvements to the Systems, (b) finance new improvements to the Systems, including solar projects (collectively, the "New Project"), (c) acquire water rights;

WHEREAS, all or a portion of the expenditures relating to the New Project described in Exhibit A attached hereto (the "Expenditures") (i) have been paid within the sixty days prior to the passage of this Resolution or (ii) will be paid on or after the passage of this Resolution;

WHEREAS, the City reasonably expects to reimburse itself for the Expenditures with the proceeds of the portion of the Bonds the interest on which will be excluded from the gross income of the owner or owners of such Bonds;

WHEREAS, it is appropriate that the Council formally authorize the preparation of the necessary documents in connection with the issuance and sale of the Bonds by the Authority and to retain a municipal advisor, an underwriter, bond counsel and disclosure counsel to assist the City;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. The City reasonably expects to reimburse the Expenditures with proceeds of the portion of the Bonds the interest on which will be excluded from the gross income of the owner or owners of such Bonds.

Section 2. The maximum principal amount of the portion of the Bonds allocable to the New Project the interest on which will be excluded from the gross income of the owner or owners of such Bonds is expected to be \$16,000,000.

Section 3. This Resolution is a declaration of official intent to reimburse expenditures pursuant to Treasury Regulations Section 1.150-2.

Section 4. The City authorizes the Mayor, the City Manager, the Finance Director (the "Authorized Officers") and other appropriate officers and officials of the City to proceed with the preparation of the necessary documents in connection with the issuance and sale of the Bonds, subject to the final approval by the Council at a subsequent meeting.

Section 5. Wulff Hansen & Co. is hereby retained as municipal advisor to the City in connection with the issuance and sale of the Bonds, the compensation for such services as set forth in the such firm's agreement for municipal advisory services on file with the City Clerk.

Section 6. Brandis Tallman LLC is hereby designated as underwriter to the City in connection with the issuance and sale of the Bonds, which will purchase the Bonds for re-sale to the public.

Section 7. Quint & Thimmig LLP is hereby retained as bond counsel and as disclosure counsel, in connection with the issuance and sale of the Bonds, the compensation for such services to be as set forth in the such firm's agreement for legal services on file with the City Clerk.

Section 8. The Authorized Officers and other appropriate officers and officials of the City are hereby authorized and directed to take such action and to execute such documents as may be necessary or desirable to effectuate the intent of this Resolution.

Section 9. This Resolution shall be in full force and effect immediately upon its adoption.

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I hereby certify that the foregoing resolution was duly adopted at a meeting of the City Council of the City of Coalinga held on the 15th day of October, 2020, by the following vote:

AYES, and in favor of, Council Members:

NOES, Council Members:

ABSENT, Council Members:

Mayor/Mayor Pro-Tem

By _____
City Clerk

EXHIBIT A

NEW PROJECT DESCRIPTION

City of Coalinga Water Enterprise		
Major Repair and Capital Project Preliminary Planning: Bond Finance		
Water Plant and Transmission Projects		
TTHM Project Construction Cost	\$1,000,000	
Wash Water Tank repair	\$200,000	
Moss Screens (2)	\$200,000	
Pumps (See detail)	\$400,000	
Rehab basins 1 and 2 (walls, clarifier sweep arms)	\$700,000	
Chlorine Room Safety Provisions	\$70,000	
Replace filter valve actuators (6)	\$180,000	
Updated Operations and Maintenance Manual	\$80,000	
Recycle and Sludge Drying Bed Pumps	\$150,000	
Air Scour for filter beds	\$200,000	
Repairs to Palmer Avenue (50% of 2,000 ft)	\$120,000	
Replace air vacs on transmission line	\$100,000	
Contingency	\$400,000	
Subtotal		\$3,800,000
Derrick Tank Rebuild		
New Valve upstream of Derrick	\$50,000	
Derrick Tank Bypass Repair	\$50,000	
Derrick Storage Tank Rebuild	\$2,500,000	
Subtotal		\$2,600,000
Distribution System		
Replace distribution lines		\$600,000
Total Water Projects for Bond Finance		\$7,000,000

Water and Wastewater Plant Solar Projects

Purchase of 7 acres adjacent to the water treatment plant and new installation of solar array systems at the water plant and wastewater plants including battery backup. \$8,000,000.

Entering into the WINN Contract: \$1,000,000