

DRAFT 5/28/2025



RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE AUTHORIZING THE EXECUTION AND
DELIVERY OF AN INSTALLMENT SALE AGREEMENT,
FOR UP TO \$50,000,000 IN CLEAN WATER STATE
REVOLVING FUNDS, BETWEEN THE CITY OF
SUNNYVALE AND THE STATE RESOURCES WATER
CONTROL BOARD, AND THE EXECUTION OF ALL
IMPLEMENTING DOCUMENTS FOR FINANCIAL
ASSISTANCE IN CONNECTION WITH THE CITY'S
SECONDARY TREATMENT AND DEWATERING
FACILITIES PROJECT UNDER THE SUNNYVALE
CLEANWATER PROGRAM**

WHEREAS, the City of Sunnyvale owns and operates the Donald M. Somers Water Pollution Control Plant ("WPCP") which is a wastewater treatment facility serving residents, businesses and industries in the city of Sunnyvale; and

WHEREAS, the WPCP is over 60 years old and reaching the end of its useful life; and

WHEREAS, the Sunnyvale Cleanwater Program ("Program") intends to rebuild the WPCP over a period of approximately 20 years to replace aging infrastructure, increase capacity, improve operational reliability, meet current and future regulatory standards and incorporate innovative technologies to minimize capital and operational costs for rate-payers; and

WHEREAS, the rehabilitation of the WPCP is in the interest of the City and its residents; and

WHEREAS, the Program includes construction of the Existing Plant Rehabilitation Project ("Project"), which will rehabilitate the WPCP's existing secondary, tertiary, and disinfection facilities to provide reliable treatment for the remainder of their planned service life, including the integration of the existing plant control system.

WHEREAS, the City Council has determined that it is in the best interest of the City to obtain a loan ("SRF Loan") from the State of California Clean Water State Revolving Fund ("CWSRF") for the purpose of financing all or a portion of the Project; and

WHEREAS, the SRF Loan will be evidenced by an Installment Sale Agreement (the "Financing Agreement") between the City and the California State Water Resources Control Board (the "CSWRCB"); and

WHEREAS, the City Council has determined to authorize the execution and delivery of the Financing Agreement for the purpose of financing all or a portion of the Project and to approve certain matters in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The incurrence of the SRF Loan in the principal amount not to exceed \$50,000,000 to finance all or a portion of the Project is hereby approved. The incurrence of the SRF Loan is determined to be consistent with the City's debt policy and to the extent the incurrence of the SRF Loan is not in compliance with the City's debt policy, such noncompliance is waived in accordance with the terms of the City's debt policy.

2. The Financing Agreement in substantially the form on file with the Office of the Manager is hereby approved. The City Manager or the written designee thereof (each an "Authorized Officer") is hereby individually authorized and directed to execute and deliver the Financing Agreement with such changes, insertions and omissions as may be recommended by the City Attorney and/or City's bond counsel and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval.

3. The City Council acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit A to this resolution and are available to the public at the meeting at which this resolution is approved.

4. Each Authorized Officer, or the written designee thereof and any other proper officer of Authority, acting singly, is authorized and directed to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Financing Agreement and this resolution.

5. This Resolution shall become effective immediately.

Adopted by the City Council at a regular meeting held on _____, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:
RECUSAL:

ATTEST:

APPROVED:

DAVID CARNAHAN
City Clerk
(SEAL)

LARRY KLEIN
Mayor

APPROVED AS TO FORM:

REBECCA MOON
City Attorney

EXHIBIT A
Government Code Section 5852.1 Disclosures

The good faith estimates set forth herein are provided with respect to the SRF Loan in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City of Sunnyvale (“City”) by CDM Smith (“Program Management Consultant”).

Principal Amount. The Program Management Consultant (“PMC”) has informed the City that, based on the City’s financing plan and current market conditions, its good faith estimate of the aggregate amount of the Installment Sale Agreement relating to the Existing Plant Rehabilitation Project to be sold is \$50,000,000 (the “Estimated Gross Principal Amount”).

True Interest Cost of the SRF Loan. The PMC has informed the City that, assuming that the Estimated Gross Principal Amount of the SRF Loan is executed, and based on the expected interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the **true interest cost of the SRF Loan**, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the SRF Loan, is 2.1%.

Finance Charge of the SRF Loan. The PMC has informed the City that, assuming that the SRF Loan is executed, their good faith estimate of the **finance charge for the SRF Loan**, which means the sum of all fees and charges paid to third parties (or costs associated with the SRF Loan), is \$0.00.

Amount of Proceeds to be Received. The PMC has informed the City that, assuming that the Estimated Gross Principal Amount of the SRF Loan is executed, and based on estimated interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the **amount of proceeds expected to be received by the City for sale of the SRF Loan**, less the finance charge of the SRF Loan, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the SRF Loan, is \$50,000,000.

Total Payment Amount. The PMC has informed the City that, assuming that the Estimated Gross Principal Amount of the SRF Loan is executed, and based on interest rates prevailing at the time of preparation of such estimate, their good faith estimate of the **total payment amount**, which means the sum total of all payments the City will make to pay debt service on the SRF Loan, plus the finance charge for the SRF Loan, as described above, not paid with the proceeds of the SRF Loan, calculated to the final maturity of the SRF Loan, is \$67,899,300, which excludes any reserves or capitalized interest paid or funded with proceeds of the SRF Loan (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only as of April 30, 2025, and are based on information provided to the State Water Board. The actual principal amount of the SRF Loan issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the entering into the SRF Loan being different than the date assumed for purposes of such estimates, (b) the actual principal amount of SRF Loan sold being different from the Estimated Gross Principal Amount, (c) the actual amortization of the SRF

Loan being different than the amortization assumed for purposes of such estimates, (d) the actual interest rates at the time of sale of the SRF Loan being different than those estimated for purposes of such estimates, (e) other market conditions, (f) occurrence of principal forgiveness as expected or the timing therein, or (g) alterations in the City's financing plan, or a combination of such factors. The actual date of execution of the SRF Loan and the actual principal amount of the SRF Loan sold will be determined by the City based on the timing of the need for proceeds of the SRF Loan and other factors. Factors such as the final loan repayment schedule, any changes to the interest rate on the SRF Loan, timing of the execution of the SRF loan and/or the forgiveness of a portion of the SRF Loan principal may be affected by factors beyond the control of the City, or the PMC.