



CITY COUNCIL

CITY COUNCIL MEETING

Pedro "Pete" M. Sanchez, Mayor  
Lori Wilson, Mayor Pro-Tem  
Jane Day  
Michael J. Hudson  
Michael A. Segala

First and Third Tuesday  
Every Month

## A G E N D A

### SPECIAL MEETING OF THE SUISUN CITY COUNCIL

TUESDAY, SEPTEMBER 6, 2016

6:00 P.M.

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SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

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#### **TELECONFERENCE NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following Council meeting includes teleconference participation by Councilmember Jane Day from: 301 Morgan Street, Suisun City, CA 94585.*

(Next Ord. No. – 741)  
(Next City Council Res. No. 2 016 – 75)  
Next Suisun City Council Acting as Successor Agency Res. No. SA2016 – 07)  
(Next Housing Authority Res. No. HA2016 – 05)

#### **ROLL CALL**

Council Members

#### **PUBLIC COMMENT**

*(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).*

#### **CONFLICT OF INTEREST NOTIFICATION**

*(Any items on this agenda that might be a conflict of interest to any Councilmembers / Boardmembers should be identified at this time.)*

#### **GENERAL BUSINESS**

##### City Council

1. Extension of Suisun-Solano Water Authority (SSWA) Agreements to Facilitate Awarding Bonds for Needed Improvements – (Anderson).
  - a. Council Adoption of Resolution No. 2016-\_\_: Approving the Sixth Amendment to the Suisun-Solano Water Authority Joint Exercise of Powers Agreement, and Authorizing the Mayor to Execute It on the City's Behalf; and
  - b. Council Adoption of Resolution No. 2016-\_\_: Approving the First Amendment to the Suisun-Solano Water Authority Implementation Agreement and Lease Agreement, and Authorizing the Mayor to Execute It on the City's Behalf.

#### **ADJOURNMENT**

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320  
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340  
SUCCESSOR AGENCY 421-7309 FAX 421-7366

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting related to an agenda item for the open session of this meeting will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The City may charge photocopying charges for requested copies of such documents. Assistive listening devices may be obtained at the meeting

*PLEASE NOTE:*

1. The City Council/Agency/Authority hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendaized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
2. Suisun City is committed to providing full access to these proceedings; individuals with special needs may call 421-7300.
3. Agendas are posted at least 72 hours in advance of regular meetings at Suisun City Hall, 701 Civic Center Boulevard, Suisun City, CA. Agendas may be posted at other Suisun City locations including the Suisun City Fire Station, 621 Pintail Drive, Suisun City, CA, and the Suisun City Senior Center, 318 Merganser Drive, Suisun City, CA.

I, Donna Pock, Deputy City Clerk for the City of Suisun City, declare under penalty of perjury that the above agenda for the meeting of September 6, 2016 was posted and available for review, in compliance with the Brown Act.

## AGENDA TRANSMITTAL

**MEETING DATE:** September 6, 2016

**CITY AGENDA ITEM:** Extension of Suisun-Solano Water Authority (SSWA) Agreements to Facilitate Awarding Bonds for Needed Improvements:

- a. Council Adoption of Resolution No. 2016-\_\_: Approving the Sixth Amendment to the Suisun-Solano Water Authority Joint Exercise of Powers Agreement, and Authorizing the Mayor to Execute It on the City's Behalf; and
- b. Council Adoption of Resolution No. 2016-\_\_: Approving the First Amendment to the Suisun-Solano Water Authority Implementation Agreement and Lease Agreement, and Authorizing the Mayor to Execute It on the City's Behalf.

**FISCAL IMPACT:** There would be no direct fiscal impact, however approval would facilitate the sale of the 2016 Bond issue, which would fund a major portion of SSWA's Capital Improvement Program.

**BACKGROUND:** The two foundation agreements of SSWA are the 1988 Joint Exercise of Powers Agreement (JEPA) and the 1990 Implementation Agreement and Lease Agreement (IA/LA). The JEPA forms SSWA, and the IA/LA leases water treatment and distribution facilities of Solano Irrigation District (SID) and Suisun City to SSWA.

One aspect of this bond measure is that in order to gain a lower interest rate, the issue will be insured. The insurance company is concerned that even though the JEPA indicates that it will not expire so long as there are outstanding bonds to pay off, the agreements on their face would expire early. So the issue is the timing of the expiration of the SSWA Agreements and leases relative to the maturity of the new bonds.

- The maturity date of the 2016 Bonds will be 30 years after their sale, which should be September 2046.
- Section 4 of the JEPA sets its term to expire on January 1, 2038.
- Section 7.0 of the IA/LA sets its term equal to the term of the JEPA, or January 1, 2038.
- Section 7.0 of the IA/LA sets the term of the leases of facilities from SID and Suisun City to SSWA to the term of the JEPA but not more than 50 years. The leases started on January 1, 1990, so they expire either on January 1, 2038 with the Agreements, or January 1, 2040, even if the Agreements' terms are extended, unless they are specifically renewed. If the parties do nothing the leases expire.

To properly assure the bondholders, the terms of these agreements must extend beyond the bond maturity date. Extension of the expiration dates to two years beyond the bond maturity date, as recommended by the Authority's bond issuance team, would be accomplished by amendments to the two Agreements.

**PREPARED BY:**

Ronald C. Anderson, Jr., Assistant City Manager

**REVIEWED/APPROVED BY:**

Suzanne Bragdon, City Manager

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**STAFF REPORT:** Suisun-Solano Water Authority (SSWA) is selling \$8.75 million in bonds to raise funding for capital improvement projects. The timing of the expiration of the SSWA Agreements and leases is currently January 1, 2038, which is before the maturity date of the new bonds in September 2046. To properly assure the bondholders that they will be paid off, these expiration dates must extend beyond the bond maturity date. Extension of the expiration dates and lease periods to two years beyond the bond maturity date would be accomplished by amendments to the two foundation agreements of SSWA:

- The Sixth Amendment to the 1988 Joint Exercise of Powers Agreement would extend the JEPA to December 31, 2048. [A conformed copy of the JEPA with tracked changes is provided as Attachment 3.]
- The Third Amendment to the 1990 Implementation Agreement and Lease Agreement would extend the SID and City Leases of Facilities to December 31, 2048. (Note that the extended term of the JEPA is automatically applied to the IA/LA, so no action to extend the IA/LA term is necessary.)

The SID Board of Directors is scheduled to meet on Thursday, September 1, 2016, to approve two resolutions that are consistent with the two resolutions before the City Council.

Since SSWA is also a signatory to the IA/LA, its amendment also requires SSWA Board authorization for its Board President and SSWA Manager to execute the First Amendment to the IA/LA. This is planned for consideration at a special SSWA Board meeting immediately after the City Council's special meeting, that being about 6:15 pm on Tuesday, September 6, 2016. SSWA Board Authorization for the SSWA Manager to submit the amended JEPA to the Secretary of State will also be requested at the Special Board meeting on September 6, 2016.

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**RECOMMENDATION:** It is recommended that the City Council adopt:

- Resolution No. 2016-\_\_: Approving the Sixth Amendment to the Suisun-Solano Water Authority Joint Exercise of Powers Agreement, and Authorizing the Mayor to Execute It on the City's Behalf; and
- Resolution No. 2016-\_\_: Approving the First Amendment to the Suisun-Solano Water Authority Implementation Agreement and Lease Agreement, and Authorizing the Mayor to Execute It on the City's Behalf.

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**ATTACHMENTS:**

1. Resolution No. 2016-\_\_: Approving the Sixth Amendment to the Suisun-Solano Water Authority Joint Exercise of Powers Agreement, and Authorizing the Mayor to Execute It on the City's Behalf.
  - 1a. Conformed copy of the Suisun-Solano Water Authority Joint Exercise of Powers Agreement after the proposed amendment is incorporated with tracked changes.
2. Resolution No. 2016-\_\_: Approving the First Amendment to the Suisun-Solano Water Authority Implementation Agreement and Lease Agreement, and Authorizing the Mayor to Execute It on the City's Behalf.
  - 2b. Conformed copy of the Suisun-Solano Water Authority Implementation Agreement and Agreement after the proposed amendment is incorporated with tracked changes.