

RESOLUTION NO. 2025-02-XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING A LOAN IN AN AMOUNT NOT TO EXCEED \$3,000,000 FROM THE GENERAL FUND TO THE WATER FUND

WHEREAS, the City of Signal Hill (“City”) operates a municipal water system that provides water service to properties within the City’s service area; and

WHEREAS, the City maintains the Water Fund as a separate enterprise fund for the purpose of owning and operating the water system; and

WHEREAS, the City desires to make improvements related to the roof rehabilitation of the Gundry Reservoir (“Project”); and

WHEREAS, the City desires to loan funds from its General Fund to finance the cost of the Project, instead of obtaining third party financing (“Inter-fund Loan”); and

WHEREAS, The Inter-Fund Loan serves a public purpose by ensuring the continued enhancement and improvement of the municipal water system to the benefit of both the City’s constituents and the Water Utility’s users.

NOW, THEREFORE, the City Council of the City of Signal Hill California does hereby resolve as follows:

Section 1. The above recitals are true and correct.

Section 2. The City Council further finds that this Resolution is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has not potential for resulting in physical change to the environment, directly, or indirectly).

Section 3. The City Council approves the Interfund Loan in an amount not to exceed \$3,000,000, for the purpose of financing the Project, substantially in the form attached hereto as Exhibit "A". Staff is hereby authorized to make such changes to the Interfund Loan agreement as are necessary to effectuate the purposes provided herein, provided such changes may not increase the not-to-exceed principal amount, interest rate, or term of the Interfund Loan.

Section 4. The Interfund Loan shall accrue interest at a rate of 3% per year. The 3% interest rate reflects the City's estimated rate of return on investment on surplus General Funds.

Section 5. The Interfund Loan shall be fully due and payable 20 years after the issuance of notice of completion and the start of operation of the Project, as set forth in more detail in Exhibit "A" hereto.

Section 6. The Interfund Loan may be prepaid in whole or in part at any time upon direction of the City Council.

Section 7. The obligations to repay the Interfund Loan shall be subordinate to all other debts of the Water Utility.

Section 8. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Signal Hill, California, on this 25th day of February 2025.

City of Signal Hill

KEIR JONES
MAYOR

ATTEST:

DARITZA GONZALEZ
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF SIGNAL HILL)

I, DARITZA GONZALEZ, City Clerk of the City of Signal Hill, California, hereby certify that Resolution No. 2025-02-XXXX was adopted by the City Council of the City of Signal Hill, California, at a regular meeting held on the 25th day of February 2025, and that the same was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

DARITZA GONZALEZ
CITY CLERK