

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK  
 (I-Bank)  
 INFRASTRUCTURE STATE REVOLVING FUND (ISRF) PROGRAM**

**MODIFICATION TO I-BANK FINANCING AGREEMENT**

**MODIFICATION REQUEST NO. 2**

The City of Paramount submitted a written request (Request) dated December 12, 2011 (Attachment 1), to modify the Enterprise Fund Installment Sale Agreement dated May 3, 2010 (Agreement) by adding one project component to its Water Well #15 Construction Project (Project) and to extend the final disbursement deadline to March 31, 2013. Accommodation of the Request requires reallocating certain uses of proceeds, which will be discussed further in this report.

**BACKGROUND**

Borrower	City of Paramount (City)
Project Name	Water Well #15 Construction Project (Project)
Original Use of Proceeds	Loan proceeds were used for construction, contingency, engineering, architecture, design, construction management, and the I-Bank fee.
I-Bank Board Approval Date	February 23, 2010
I-Bank Board Resolution No.	10-07
Agreement Type	Enterprise Fund Installment Sale Agreement
Original Agreement Effective Date	May 3, 2010
Original Financing Amount	\$5,500,000
Interest Rate	3.31%
Term	30 years
Original Disbursement Deadline	At least 70% of the loan proceeds to be disbursed no later than September 24, 2011; the entire loan amount to be disbursed no later than December 31, 2011.
Total Principal Disbursements as of 12/15/2011	\$2,575,686.76 (A disbursement in the amount of \$731,260 is pending.) (See Loan Disbursements to Date Report (Attachment 2.))
First Interest Payment Date	8/1/2010
Total Interest Payments as of 12/16/2011	\$226,551.10 (See Loan Payments to Date Report (Attachment 3.))
First Principal Payment Date	8/1/2011
Total Principal Payment(s) as of (Date) 12/16/2011	\$115,870.08 (See Loan Payments to Date Report (Attachment 3.))
Payments Made as Agreed	Yes (See Borrower Statement of Account (Attachment 4.))
Last Fiscal Year Monitored	2009-2010
In Compliance with Loan Agreement?	Yes

**Project Description**

The Project consists of the design and construction of a new water well and related pumps, motors, valves, controls, and communications equipment; the construction of a secondary well head treatment system; and the construction of a storm drain and sewer connections.

**Prior Modifications and Amendments**

Modification No.	1
Amendment No.	n/a
Effective Date	March 8, 2010
Description	Modified the Sources and Uses table to delete the duplicate reference under Project Uses to the rate study and correcting the City's equity contribution and the Project total.

**ANALYSIS OF PROPOSED MODIFICATION**

Construction costs for the Project came in under budget. To use the remaining funds available from the I-Bank loan, the City requests adding one new component. The total loan amount will be unchanged. In the Request, the City asks that the Small Water Main Replacement project (New Component) be added to the Agreement and to allow remaining I-Bank funds to be used to pay for the New Component. The New Component consists of the design, purchase, installation and replacement of all 4-inch water mains with 8-inch diameter water mains. The City estimates the useful life of the New Component to be between 30 and 50 years.

The combined project (Combined Project) will consist of (i) the design and construction of a new water well and related pumps, motors, valves, controls, and communications equipment; (ii) the construction of a secondary well head treatment system; (iii) the construction of a storm drain and sewer connections; (iv) and the design, purchase, installation and replacement of all 4-inch water mains with 8-inch water mains.

The Project is funded approximately 70% with 2008 ISRF Bonds proceeds (2008 Proceeds) and 30% cash. The Agreement required that funds from 2008 Proceeds be disbursed by September 24, 2011 to coincide with the I-Bank's spend down deadline of the 2008 Proceeds. Although the City did not meet its disbursement deadline, the I-Bank achieved its spend down requirement by having disbursed 95.66% of the 2008 Proceeds by September 30, 2011. The City anticipates completing the New Component by November 2012 and requests that the disbursement deadline be extended to March 31, 2013.

**Project and Cost Eligibility**

The Project Sources and Uses table contained in Exhibit D to the Agreement is as follows:

REVISED SOURCES AND USES OF PROCEEDS FOLLOWING MODIFICATION #1			
Project Uses	Project Sources		
	I-Bank	City	Total
Land Acquisition		\$729,580	\$729,580
Construction & Contingency	\$4,782,860	\$725,973	\$5,508,833
Engineering/Architectural/Design/ Construction Management/Permits/ Water Rate Study	\$670,390	\$394,036	\$1,064,426
I-Bank Origination Fee	\$46,750		\$46,750
<b>Total</b>	<b>\$5,500,000</b>	<b>\$1,849,589</b>	<b>\$7,349,589</b>

The Combined Project Sources and Uses table is as follows:

COMBINED SOURCES AND USES OF PROCEEDS			
Project Uses	Project Sources		
	I-Bank	City	Total
Land Acquisition		\$729,580	\$729,580
Construction & Contingency	\$4,476,390	\$725,973	\$5,202,363
Engineering/Architectural/Design/ Construction Management/Permits/ Water Rate Study	\$976,860	\$394,036	\$1,370,896
I-Bank Origination Fee	\$46,750		\$46,750
<b>Total</b>	<b>\$5,500,000</b>	<b>\$1,849,589</b>	<b>\$7,349,589</b>

All costs are eligible for reimbursement from loan proceeds. Revised Engineering/Architecture/Design/Construction Management/Permits/Water Rate Study are less than 20% (17.76%) of the total I-Bank loan amount. The City has confirmed that the New Component has a useful life in excess of 30 years. As such, the term of the loan will not change.

**Status of Project and Impact on Disbursement Schedule**

The Project is currently under construction. The City estimates that the Combined Project will be completed by November 2012 and requests that the disbursement deadline be extended to March 31, 2013.

**Tax-Exempt Status**

The Combined Project is eligible for tax-exempt financing under Federal law.

### **Loan Underwriting Criteria**

The Combined Project meets the loan underwriting criteria as set forth in the ISRF Program Criteria, Priorities and Guidelines.

### **Other Funding Sources/Project Financial Feasibility**

No changes.

### **Compliance with the ISRF Revenue Bonds Master Indenture**

The Agreement is pledged to the Master Indenture for the ISRF Revenue Bonds. Section 302, Release, Addition and Amendment of Master Indenture Obligations, subsection (b) states that the I-Bank may, at its discretion, amend or waive the terms of the Master Indenture Agreements in any manner. As such, the proposed modifications are allowed under the Master Indenture.

### **California Environmental Quality Act (CEQA)**

A Notice of Exemption (Categorical Exemption) for the New Component was filed with the Los Angeles County Clerk on November 21, 2011 (Attachment 5).

## **LEGAL ISSUES**

### **Legal Agreement Modifications**

This Modification is the second modification of the financing approval processed by the I-Bank and will result in a first amendment to the Agreement (First Amendment). The First Amendment will include the following changes to the Agreement:

- 1.) Amends the Project description to add the description of the New Component.
- 2.) Amends the Project Sources and Uses Table.
- 3.) Extends the final Disbursement Deadline to March 31, 2013.

**BORROWER'S AUTHORIZATION** On December 20, 2011, the City approved Resolution No. 11:037 (Attachment 6) in which it approved amending the Agreement to add the New Component and authorized the City Manager, or designee, to act on behalf of the City in all matters pertaining to the Request.

## **OTHER ISSUES**

None.

## **APPROVAL AUTHORIZATION**

Pursuant to Resolution 11-24 adopted by the I-Bank Board on September 27, 2011, the I-Bank's Executive Director has been delegated the authority to amend or modify financing documents associated with the ISRF Program Loans so long as such proposed amendment (A) is consistent with the intent of the Board resolution that approved the initial ISRF Program Loan; (B) is approved by counsel to the I-Bank and

(C) does not involve any of the following: (1) any increase in the principal amount of the ISRF Program Loan; (2) any extension of the final maturity date; (3) any change in the security pledged to repay the ISRF Program Loan; (4) any change in the interest rate. The proposed modifications recommended herein fall within the Executive Director's approval authority pursuant to Resolution 11-24.

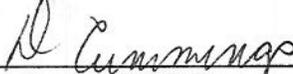
### **STAFF RECOMMENDATION**

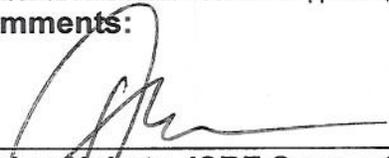
Staff had determined that the Request is reasonable, is consistent with current ISRF Program Criteria, Priorities and Guidelines, and recommends approval of the Request discussed herein.

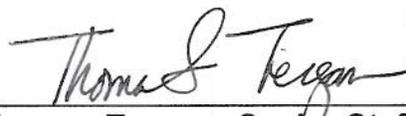
### **ATTACHMENTS**

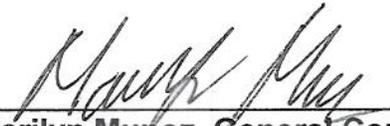
- Attachment 1 Borrower's Request for Modification and Related Emails
- Attachment 2 Loan Disbursements to Date Report
- Attachment 3 Loan Payments to Date Report
- Attachment 4 Borrowers Statement of Account
- Attachment 5 Notice of Exemption
- Attachment 6 Borrower's Resolution No. 11:037

Prepared by:  12/30/11  
Steve Grebner, Loan Officer Date

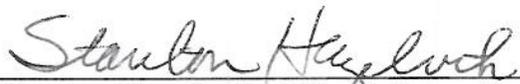
Reviewed by:  12/30/11  
Diane Cummings, ISRF Program Manager Date  
 Modified Amortization Schedule Approved, if applicable  
Comments:

Reviewed by:  1/3/12  
Carlos Nakata, ISRF Support Manager Date  
 Modified Amortization Schedule Approved, if applicable  
Comments:

Reviewed by:  1/4/12  
Thomas Tengan, Senior Staff Counsel Date  
Comments:

Reviewed for Delegation by:  1/4/12  
Marilyn Munoz, General Counsel Date  
 The modification request falls within the authority delegated to the Executive Director. I-Bank Board consideration and approval is not required.  
 The modification request does not fall within the delegated authority of the I-Bank Executive Director, and Board consideration and approval of the request is required.  
Comments:

Reviewed by:  1/4/12  
Roma Cristia-Plant, Asst. Executive Director Date  
Comments:

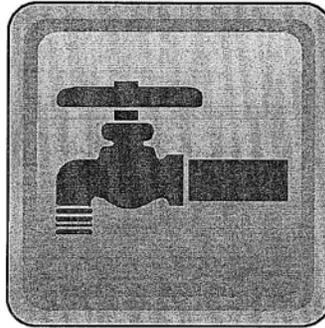
Approved by:  1-5-12  
Stanton Hazelroth, I-Bank Executive Director Date  
Comments:

**Attachment 1**  
**Borrower's Request for Modification and Related E-mails**



**CALIFORNIA INFRASTRUCTURE AND  
ECONOMIC DEVELOPMENT BANK**

***INFRASTRUCTURE STATE REVOLVING FUND PROGRAM***



**WATER/SEWER ENTERPRISE SYSTEM**

***Loan Modification Request***

***To Add New Component and  
To Extend the Disbursement Deadline  
to March 31, 2013***

**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK  
(I-BANK)  
Infrastructure State Revolving Fund (ISRF) Program  
WATER/SEWER ENTERPRISE SYSTEM LOAN MODIFICATION REQUEST  
To Add New Component(s)**

**PART I. BORROWER INFORMATION**

1. Legal name of Borrower:

City of Paramount

**PART II. LOAN INFORMATION**

1. Loan amount requested (if different than originally approved):     N/A    

**PART III. PROJECT INFORMATION**

1. Name of Project (if different than originally approved, otherwise indicate "same"):

Small Water Main Replacement

2. Location/Address of Project (if different than originally approved, otherwise indicate "same"):

Various locations throughout the City  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Detailed description of New Component(s):  
[References can be made to a detailed project description contained in either an environmental report or capital improvement plan or study.]

The Small Water Main Replacement project was a recommended project in the 2007 Water Master Plan. The project will replace all water mains that are 4-inches in diameter or smaller with 8-inch diameter water mains. This upgrade will improve water pressure as well as reduce the risk of water quality issues. Approximately 5,000 lineal feet of existing 4-inch water mains will be replaced with new 8" pipes at various locations throughout the City. Another 5,000 lineal feet of existing 4-inch mains will be abandoned and connected to existing parallel mains.

4. Revised Project Sources and Uses of Funds Table for Project with New Component(s).  
**Attach** itemized cost estimates, bids, and/or construction contracts.  
[Use Exhibit 1 Sources and Uses of Funds Table attached herewith. Label cost estimates, bid, and/or construction contracts as Exhibit 1a, 1b, 1c, etc.]

5. Provide evidence of commitment(s) for other funding sources for New Component(s), such as resolutions, commitment letters, grant/loan agreements, etc.  
[Label and attach as Exhibit 2—if multiple documents, label 2a, 2b, 2c, etc.]

6. Is land acquisition necessary for the New Component(s)?

No  Yes—If yes, provide a description of the land acquired or to be acquired (who owns, address, assessor's parcel number, purchase date or expected purchased date, cost or estimate), and list the funding source for the land:

7. Will the Borrower use I-Bank funds to pay any of its own employees or employees of other governmental agencies to construct the Project, or to pay for administrative, engineering, environmental or other expenses directly related to the construction of the New Component(s)?

No  Yes—If yes, describe the staff and staff work to be or already provided, and the anticipated amount of reimbursement.

8. Project Timeline—include specific milestones including, but not limited to, the preliminary engineering report, all required permits, design, environmental review, engineering, land/right-of-way acquisition, preparation of bid documents, awarding of construction contracts, construction start dates, construction completion dates, and date each New Component(s) will become operational.  
 [Label and attach as Exhibit 3.]

9. Provide a listing and status of all permits required to complete the New Component(s), including environmental, construction and operating permits:

PERMIT	ISSUER	STATUS	ANTICIPATED PERMIT DATE
Encroachment permit	City of Paramount	Pending	August 2012

10. CEQA Compliance Information. Describe each New Component(s) that will require a separate CEQA review, and complete the following chart.  
 [Label and attach any documents as Exhibit 4—if multiple documents, label 4a, 4b, 4c, etc.]

Project Component <sup>(1)</sup>	Level Of Required Environmental Clearance	Status Of CEQA Compliance	Recorded NOD Submitted <sup>(2)</sup>	Environmental Review Documents Submitted <sup>(3)</sup>
<u>Construction</u>	<input checked="" type="checkbox"/> Notice of Exemption <input type="checkbox"/> Negative Declaration <input type="checkbox"/> Environmental Impact Report (EIR) <input type="checkbox"/> Unknown	<input checked="" type="checkbox"/> Not Started/In Progress Expected date: <u>12-21-11</u> <input type="checkbox"/> Adopted/Approved	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
_____	<input type="checkbox"/> Notice of Exemption <input type="checkbox"/> Negative Declaration <input type="checkbox"/> Environmental Impact Report (EIR) <input type="checkbox"/> Unknown	<input type="checkbox"/> Not Started/In Progress Expected date: _____ <input type="checkbox"/> Adopted/Approved	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

(1) Submit a separate chart if more components.

- (2) Provide a date stamped copy of the Notice of Determination filed with the local County Clerk's office.
- (3) Provide a copy of the environmental review documentation, including any mitigation measures.

11. Tax Exempt Financing.

Will any entity, other than the Borrower or another state or local governmental entity, use or directly benefit from any portion of the New Component(s) other than as a member of the general public?

(For this purpose, "use" includes owning, leasing, managing, operating, acquiring the output of, obtaining a priority right or other special arrangement with respect to, or otherwise deriving a direct economic benefit from the New Component(s). Priority rights or special rates and charges anticipated for a particular user or group of users should also be explained.)

Select the answer that applies and provide any updated information:

- The information submitted in the original Financing Application and the Supplemental Private Activity Questionnaire (if applicable) remains accurate and has not changed.
- The information submitted in the original Financing Application and the Supplemental Private Activity Questionnaire (if applicable) for this Project has changed as follows:

\_\_\_\_\_

12. Business Relocation. The Preliminary Application contained the following question:

Will the proposed New Component(s) facilitate the relocation of a private sector business from one area of the State to another? If yes, explain.

Select the answer that applies and provide any updated information:

- The information submitted in the original Financing Application remains accurate and has not changed.
- The information submitted in the original Financing Application has changed as follows:

\_\_\_\_\_

**PART IV LEGAL INFORMATION**

1. Resolutions. Provide a resolution adopted by the governing body of the Borrower authorizing funding of the New Component(s) with the existing I-Bank loan, and, if applicable, the availability and commitment of Borrower funds to the New Component(s). [See sample application and reimbursement resolutions. Label and attach as Exhibit 5. If multiple resolutions, label as 5a, 5b, 5c, etc.]
2. Describe any pending or anticipated litigation and/or contractual disputes that may negatively impact the loan repayment source, or the ability of the Borrower to enter into or repay the I-Bank loan:  

\_\_\_\_\_

N/A
3. Describe any past, present, or potential issues or controversies (including litigation) that are associated with the New Component(s):  

\_\_\_\_\_

N/A

**PART V. OTHER INFORMATION**

*Answer only if the New Component(s) will have a different administrative and/or management team.*

1. Describe the Borrower's administrative and management ability to construct and operate the New Component(s):

N/A

**PART VI. AUTHORIZATION**

<p><i>I acknowledge that:</i></p> <ul style="list-style-type: none"> <li>• All information submitted to the California Infrastructure and Economic Development Bank is true and correct at the time of submission, and such information does not contain any untrue or misleading statement of a material fact, or omit to state any material fact necessary that would make the statements contained herein misleading.</li> <li>• The information included with this Application is consistent with the Preliminary Application dated 10-30-08 in all substantive areas, except as otherwise noted herein.</li> <li>• I agree to promptly provide the I-Bank any material change to the information contained herein.</li> </ul>		
<p><b>AUTHORIZED SIGNATURE</b></p> 	<p><b>PRINT NAME AND TITLE</b></p> <p>Terry Cahoon, Assistant Finance Director</p>	<p><b>DATE</b></p> <p>12/12/11</p>

Attachments:

- Application Checklist
- Revised Sources and Uses of Funds Table
- Sample Application Resolution

**WATER/SEWER ENTERPRISE SYSTEM LOAN MODIFICATION REQUEST  
 To Add New Components**

**APPLICATION CHECKLIST**

INCLUDED		APPLICATION CONTENT
YES	NO	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Application—Signed and Dated
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Exhibit 1—Revised Sources and Uses of Funds Table <small>[Attach itemized cost estimates, bids, and/or construction contracts as Exhibits 1a, 1b, 1c, etc.]</small>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Exhibit 2—Documentation of Other Project Funding Sources
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Exhibit 3—Project Timeline
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Exhibit 4—CEQA Documentation
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Exhibit 5—Adopted Resolution—Application and Reimbursement <small>(unauthorized resolution attached; adopted resolution to be provided after 12/20/11)</small>

**WATER/SEWER ENTERPRISE SYSTEM LOAN MODIFICATION REQUEST  
 To Add New Components**

**Exhibit 1  
 Revised Sources and Uses of Funds Table**

*(NOTE: Attach detailed cost estimates, bids, and construction contracts, etc. to support data provided in the table.)*

PROJECT USES	Est Useful Life	PROJECT FUNDING SOURCES					TOTAL
		I-Bank	City of Paramount				
Land Acquisition		\$	\$				
Building Construction/Renovation		\$1,033,360	\$				1,033,360
Construction Contingency		\$160,170	\$		\$		160,170
Machinery/Equipment		\$	\$				
Engineering/Architectural/Design		\$306,470	\$				306,470
Permits/Environmental		\$	\$				
I-Bank Origination Fee:		\$	\$				
Other:		\$	\$				
Other:		\$	\$				
<b>TOTAL</b>		<b>\$1,500,000</b>	<b>\$</b>				<b>\$1,500,000</b>

**Exhibit 1a**

**ENGINEER'S ESTIMATE OF PROBABLE CONSTRUCTION COSTS**

PROJECT: Small Main Replacement (4" Dia. And Less)  
 Phase I

CLIENT: City of Paramount  
 DATE: 09/30/11

Item No.	Estimated Qty	Unit	Description	Unit Price	Total Price
<b>Replace Existing 4" Pipe with New 8" Pipe</b>					
1	670	LF	Indiana Ave. North of Harrison St. to South of Jackson St. - Replace ex. 4" with new 8"	\$165	\$110,550
2	646	LF	Parkshire Ct North of Harrison St. to South of Jackson St. - Replace ex. 4" with new 8"	\$165	\$106,590
3	639	LF	Illinois Ave. North of Harrison St. to South of Jackson St. - Replace ex. 4" with new 8"	\$165	\$105,435
4	217	LF	Kansas St. Cortland Ave. to Alley - Replace ex. 4" with new 8"	\$165	\$35,805
5	448	LF	Alley - Kansas St. to Cortland Ave - Replace ex. 2" with new 8"	\$165	\$73,920
6	130	LF	Walnut Ave. Parker Pl to Walnut Ave - Replace ex. 4" with new 8"	\$165	\$21,450
7	710	LF	Alley - Nebraska to West of Nebraska - Replace ex. 4" with new 8"	\$165	\$117,150
8	270	LF	Alley - Nebraska to Cortland - Replace ex. 4" with new 8"	\$165	\$44,550
9	413	LF	West of Nebraska - Alley to Walnut Ave - Replace ex. 4" with new 8"	\$165	\$68,145
10	505	LF	Fairlock Ave. S Racine Ave. to Happy St. - Replace ex. 4" with new 8"	\$165	\$83,325
<b>Abandon Existing 4" and Connect Services to Existing Parallel Main</b>					
11	639	LF	Minnesota Ave. North of Harrison St. to South of Jackson St	\$50	\$31,950
12	373	LF	Harrison St. East of Minnesota Ave. to West of Illinois Ave.	\$50	\$18,650
13	1320	LF	Garfield Ave. South of Alondra Blvd and North of Jackson St.	\$60	\$79,200
14	1219	LF	Somerset Blvd East of Downey Ave (to Hayter Ave)	\$60	\$73,140
15	1270	LF	Orange Ave. North of Alondra Blvd to South of Myrrh St.	\$50	\$63,500
<b>SUBTOTAL OF CONSTRUCTION COST INCLUDING SLURRY SEAL</b>					<b>\$1,033,360</b>
<b>15% CONTINGENCY (5% Mobilization and 10% Construction Contingency)</b>					<b>\$160,170</b>
<b>25% Technical, Legal and Administrative Costs</b>					<b>\$306,470</b>
<b>TOTAL</b>					<b>\$1,500,000</b>

This cost estimate is an estimate only. These figures are supplied as a guide only. This firm is not responsible for fluctuation in cost of material, labor, or components, or unforeseen contingencies.

**Exhibit 2**  
**Source of Funds**

There is no other funding source for this project.

**Exhibit 3**  
**Project Timeline**

<b>Project Milestones</b>	<b>Date</b>
Preliminary engineering memo	December 2011
Environmental clearance	December 2011
Design	December 2011 to May 2012
Out to bid	June 2012
Award of Contract	July 2012
Notice to Proceed	August 2012
Construction completion	November 2012

**Exhibit 4**

**CEQA Compliance Information**

The Notice of Exemption for the Small Water Main Replacement project was filed with Los Angeles County Clerk on November 21, 2011. Please see the attached Form D.

**Notice of Exemption**

Form D

To: Office of Planning and Research  
P.O. Box 3044, Room 212  
Sacramento, CA 95812-3044

County Clerk  
County of Los Angeles, Environmental Filings  
12400 East Imperial Highway  
Norwalk, CA 90650

From: (Public Agency) City of Paramount  
16400 Colorado Avenue  
Paramount, CA 90723  
(Address)

**ORIGINAL FILED**

**NOV 21 2011**

Project Title: Small Water Main Replacement

**LOS ANGELES COUNTY CLERK**

Project Location - Specific:

Various locations throughout the City.

Project Location - City: Paramount

Project Location - County: Los Angeles

Description of Nature, Purpose and Beneficiaries of Project:

The project consists of upgrading existing 4 inch water mains to 8 inch water mains. Approximately 5,000 4 inch pipes will be replaced with 8 inch pipes to improve water pressure and flow.

Name of Public Agency Approving Project: City of Paramount

Name of Person or Agency Carrying Out Project: John Carver

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);  
 Declared Emergency (Sec. 21080(b)(3); 15269(a));  
 Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
 Categorical Exemption. State type and section number: Class 2, Section 15302  
 Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

Reconstruction of existing utility systems involving negligible or no expansion of capacity.

Lead Agency

Contact Person: John Carver

Area Code/Telephone/Extension: 562-220-2048

If filed by applicant:

1. Attach certified document of exemption finding.  
2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

Signature: *John Carver* Date: 11/18/11 Title: Assistant Community Development Director

Signed by Lead Agency

Signed by Applicant

Date received for filing at OPR: \_\_\_\_\_

Revised 2005

**Exhibit 5**  
**RESOLUTIONS**

RESOLUTION NO. 11:037 – Submission of a request to amend agreement  
and add new component

RESOLUTION NO. 10:005 – Submission of the application for Financing of  
Water Well #15 Construction

**RESOLUTION NO. 11:037**

**A RESOLUTION OF THE CITY OF PARAMOUNT AUTHORIZING THE SUBMISSION OF A REQUEST TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR THE AMENDMENT OF A FINANCING AGREEMENT, DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF OBLIGATION, AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH**

**WHEREAS**, the California Infrastructure and Economic Development Bank ("I-Bank") administers a financing program to assist local governments with the financing of Public Development Facilities as described in Section 63000 *et seq.* of the California Government Code (the "Act"); and,

**WHEREAS**, the City of Paramount ("Borrower") previously entered into an Enterprise Fund Sale Installment Agreement (the "Agreement") with the I-Bank for the financing of Well #15 Construction ("the Current Project") and now desires to amend the Agreement to add another component to the Current Project for Small Main Replacement (the "Additional Component" and together with the "Current Project", the "Project"); as well as to extend the disbursement deadline; and,

**WHEREAS**, the Act requires the Borrower to certify by resolution certain findings in connection with the financing of the Additional Component by the I-Bank; and,

**WHEREAS**, the Borrower expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Additional Component prior to incurring indebtedness for the purpose of financing costs associated with the Additional Component on a long-term basis; and

**WHEREAS**, the Borrower reasonably expects to incur an obligation ("Obligation") under the proposed amendment to the Agreement and reasonably expects that certain of the proceeds of such Obligation will be used to reimburse the Reimbursement Expenditures;

**NOW, THEREFORE**, the Borrower does resolve as follows:

**Section 1.** The Borrower hereby approves the amendment of the Agreement for the Current Project and in connection therewith certifies:

- a. that the Additional Component is consistent with the General Plan of both the City of City of Paramount and the County of Los Angeles;
- b. the financing is appropriate for the Additional Component;
- c. the Additional Component facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources;
- d. the Additional Component develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities; and

- e. the Additional Component is consistent with the I-Bank's Criteria, Priorities and Guidelines for the ISRF Program.

**Section 2.** The Borrower hereby declares its official intent to use proceeds of the Obligation to reimburse itself for Reimbursement Expenditures. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Borrower to make any expenditure, incur any indebtedness, or proceed with the Additional Component.

**Section 3.** All of the Reimbursement Expenditures were made no earlier than 60 days prior to the date of this Declaration. The Borrower will allocate proceeds of the Obligation to pay Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure is paid or the date the Additional Component is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid.

**Section 4.** The City Manager, or designee, is hereby authorized and directed to act on behalf of the Borrower in all matters pertaining to this application.

**Section 5.** If the application is approved, the City Manager, or designee is authorized to enter into and sign the financing documents and any amendments thereto with the I-Bank for the purposes of this amendment request.

**Section 5.** This resolution shall become effective immediately upon adoption.

**PASSED, APPROVED and ADOPTED** this 20th day of December, 2011 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Daryl Hofmeyer, Mayor

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  
CITY OF PARAMOUNT

I, Lana Chikami, City Clerk of the City of Paramount, California, do hereby certify that the foregoing Resolution No. 11:037 was duly and regularly adopted at a regular meeting of the City of Paramount, which was duly noticed in accordance with Government Code section 54954.2 and held on 20 day of December, 2011.

By: \_\_\_\_\_  
Lana Chikami, City Clerk

**CERTIFICATION**

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    ) ss.  
CITY OF PARAMOUNT         )

I, Lana Chikami, City Clerk of the City of Paramount, California, DO HEREBY CERTIFY that the attached document is a true and correct copy of City of Paramount **Resolution No. 10:005** adopted by the City Council of the City of Paramount at their meeting held on January 19, 2010.

Signed and sealed this 20<sup>th</sup> day of January 2010.

  
\_\_\_\_\_  
Lana Chikami, City Clerk

(SEAL)

CITY OF PARAMOUNT  
LOS ANGELES COUNTY, CALIFORNIA

RESOLUTION NO. 10:005

AMENDING RESOLUTION NO. 09:017, A RESOLUTION OF THE CITY OF PARAMOUNT AUTHORIZING THE SUBMISSION OF THE APPLICATION TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR FINANCING OF WATER WELL #15 CONSTRUCTION, DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF OBLIGATION, AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the California Infrastructure and Economic Development Bank ("I-Bank") administers a financing program to assist local governments with the financing of Public Development Facilities as described in Section 63000 et seq. of the California Government Code (the "Act"); and

WHEREAS, the I-Bank has instituted an application process for financing under its Infrastructure State Revolving Fund Program ("ISRF Program"); and

WHEREAS, the City of Paramount ("Applicant") desires to submit an application ("Financing Application") to the I-Bank from the ISRF Program for the financing of Water Well #15 Construction ("Project") in an amount not to exceed \$5.5 million; and

WHEREAS, the Act requires the Applicant to certify by resolution certain findings prior to a Project being selected for financing by the I-Bank; and

WHEREAS, the Applicant expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to incurring indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the Applicant reasonably expects that a financing arrangement ("Obligation") in an amount not expected to exceed \$5.5 million will be entered into and that certain of the proceeds of such Obligation will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, the ISRF Program requires funding sources, other than the I-Bank financing, be identified and approved prior to Project financing approval by the I-Bank Board.

NOW, THEREFORE, the City Council of the City of Paramount does hereby FIND, DETERMINE, and RESOLVE as follows:

Section 1. The City of Paramount hereby approves the filing of an ISRF Program Financing Application with the I-Bank for the Project; and in connection therewith certifies:

- a. The Project is consistent with the General Plan of both the City of Paramount and the County Los Angeles;
- b. The proposed financing is appropriate for the Project;
- c. The Project facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources;
- d. The Project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities; and

RESOLUTION NO. 10:005  
PAGE 2 of 2

e. The Project is consistent with the I-Bank's Criteria, Priorities and Guidelines for the ISRF Program.

Section 1. The Applicant hereby declares its official intent to use proceeds of the Obligation to reimburse itself for Reimbursement Expenditures. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Applicant to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 2. All of the Reimbursement Expenditures were made no earlier than 60 days prior to the date of this Declaration. The Applicant will allocate proceeds of the Obligation to pay Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure is paid or the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid.

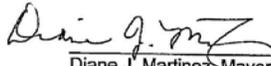
Section 3. That the Applicant has available and commits not to exceed \$1,580,009 to the project.

Section 4. The City Manager, or her designee, is hereby authorized and directed to act on behalf of the City of Paramount in all matters pertaining to this application.

Section 5. If the application is approved, the City Manager, or her designee, is authorized to enter into and sign the financing documents and any amendments thereto with the I-Bank for the purposes of this financing.

Section 6. This resolution shall become effective immediately upon adoption.

PASSED, APPROVED, and ADOPTED by the City Council of the City of Paramount this 19<sup>th</sup> day of January, 2010.

  
Diane J. Martinez, Mayor

Attest:

  
Lana Chikami, City Clerk



**From:** Cheryl Fung [<mailto:CFung@paramountcity.com>]  
**Sent:** Monday, October 10, 2011 10:34 AM  
**To:** Lee, John  
**Subject:** FW: Small Main Replacement (4" Dia. and less) Project-I Bank

Hi John,

The attached is the cost estimate from the engineer to upgrade the water mains for approximately \$1.5 million. Can this project be applied to the remainder of our loan amount if the funds haven't been re-directed? Let me know if you need further information.

Thank you,

**Cheryl Fung**  
City of Paramount  
Finance Department  
(562) 220-2203

-----Original Message-----

**From:** Karina Lam  
**Sent:** Tuesday, October 04, 2011 10:54 AM  
**To:** Cheryl Fung  
**Subject:** FW: Small Main Replacement (4" Dia. and less) Project-I Bank

*Cheryl,*

*Please let the IBank know we have a project ~\$1.5 million. Find out the procedure/timeline and if it will be time consuming. Thanks!*

*Karina*

-----Original Message-----

**From:** Chris Cash  
**Sent:** Tuesday, October 04, 2011 10:48 AM  
**To:** Karina Lam  
**Subject:** Small Main Replacement (4" Dia. and less) Project-I Bank

**Karina**

Under this project, we would upgrade our existing 4" water mains to 8" mains. This would improve water pressure and flow and would reduce the likelihood of water quality issues. A copy of the engineers estimate for the project and the listing of locations for upgrades are attached. Let me know if you have any questions.

**Chris**

-----Original Message-----

**From:** Epperson, Tom [<mailto:Tom.Epperson@tetrattech.com>]  
**Sent:** Friday, September 30, 2011 1:35 PM  
**To:** Chris Cash  
**Cc:** Norm Mamea  
**Subject:** City of Paramount - Small Main Replacement (4" Dia. and less)

Attached is preliminary spreadsheet of potential project for Phase 1. The quantity and scope as well as the unit price was based on the 2007 Water Master Plan document. Based on preliminary review, the unit cost in the Master Plan is higher than the current bids (due to the market and competitive pricing). Therefore, I have added enough to get to 1.5M (the unit cost includes the cost to slurry seal the streets).

Please review and let me know if this provides you with what you need or if you want me to make changes/modify/delete items.

Thanks

**Tom**

**Tom Epperson, P.E.** | Project Manager  
Direct: 949.809.5156 | Main: 949.809.5000 | Fax: 949.809.5010  
[tom.epperson@tetrattech.com](mailto:tom.epperson@tetrattech.com)

Tetra Tech  
17885 Von Karman Avenue, Suite 500 | Irvine, CA 92614-6213 | [www.tetrattech.com](http://www.tetrattech.com)

**From:** Munoz, Marilyn  
**Sent:** Monday, October 10, 2011 5:31 PM  
**To:** Nakata, Carlos  
**Cc:** Lee, John; Cummings, Diane  
**Subject:** RE: Paramount Mod

Thanks. I'd also like to get a brief description of the proposed addition to the Original Project. Thanks again.

**From:** Nakata, Carlos  
**Sent:** Monday, October 10, 2011 3:25 PM  
**To:** Munoz, Marilyn  
**Cc:** Lee, John; Cummings, Diane; Nakata, Carlos  
**Subject:** Paramount Mod

As per your request, I have attached the Project description and a copy of the original board resolution approving the loan. Please let us know if you need anything else. Thanks.

## Attachment 2 Loan Disbursements to Date Report

### Loan Disbursements To Date Report By Customer

I-Bank ISRF Program  
 12/15/2011

Customer ID Customer Name	Facility ID	Loan ID	Branch GL Code	Effective Posted	Loan Draw TD Principal Cap	Other Draw TD Escrow Draw TD	Total Draw TD
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	08/13/2010 08/16/2010	\$281,283.32 \$0.00	\$0.00 \$0.00	\$281,283.32
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	11/05/2010 11/16/2010	\$102,232.39 \$0.00	\$0.00 \$0.00	\$102,232.39
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	12/20/2010 12/29/2010	\$122,190.08 \$0.00	\$0.00 \$0.00	\$122,190.08
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	01/12/2011 01/21/2011	\$273,947.95 \$0.00	\$0.00 \$0.00	\$273,947.95
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	02/08/2011 02/23/2011	\$45,001.76 \$0.00	\$0.00 \$0.00	\$45,001.76
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	03/22/2011 03/29/2011	\$216,712.45 \$0.00	\$0.00 \$0.00	\$216,712.45
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	04/13/2011 04/18/2011	\$213,759.27 \$0.00	\$0.00 \$0.00	\$213,759.27
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	05/19/2011 05/31/2011	\$537,957.40 \$0.00	\$0.00 \$0.00	\$537,957.40
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	06/16/2011 06/28/2011	\$425,069.20 \$0.00	\$0.00 \$0.00	\$425,069.20
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	07/20/2011 07/26/2011	\$357,532.94 \$0.00	\$0.00 \$0.00	\$357,532.94
<b>CIEDB-BC08-095 Totals:</b>	<b>1 Loan(s)</b>				<b>\$2,575,686.76</b> <b>\$0.00</b>	<b>\$0.00</b> <b>\$0.00</b>	<b>\$2,575,686.76</b>
<b>Grand Totals:</b>	<b>1 Loan(s)</b>				<b>\$2,575,686.76</b> <b>\$0.00</b>	<b>\$0.00</b> <b>\$0.00</b>	<b>\$2,575,686.76</b>

### Attachment 3 Loan Payments to Date Report

#### Loan Payments To Date Report By Customer I-Bank ISRF Program 12/16/2011

Customer ID Customer Name	Facility ID	Loan ID	Branch GL Code	Effective Posted	Principal TD Escrow TD	Interest TD PP Penalty TD	Int Cap	Late Fees TD Other Fees TD	Total Paid TD				
CIEDB-BC08-095 City of Paramount	CIEDB-BC08-095	CIEDB-BC08-095	GL-1	07/30/2010	\$0.00	\$44,501.11	\$0.00	\$0.00	\$44,501.11				
				09/20/2010	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00				
				07/30/2010	\$0.00	\$0.00	\$0.00	\$0.00	\$16,500.00	\$16,500.00			
				09/20/2010	\$0.00	\$0.00	\$0.00	\$16,500.00					
				08/13/2010	\$0.00	\$0.00	\$0.00	\$0.00	\$46,750.00	\$46,750.00			
				05/10/2011	\$0.00	\$0.00	\$0.00	\$46,750.00					
				01/19/2011	\$0.00	\$91,024.99	\$0.00	\$0.00	\$91,024.99	\$91,024.99			
				03/14/2011	\$0.00	\$0.00	\$0.00	\$0.00					
				07/14/2011	\$115,870.08	\$91,025.00	\$0.00	\$0.00	\$206,895.08	\$206,895.08			
				07/21/2011	\$0.00	\$0.00	\$0.00	\$0.00					
				07/14/2011	\$0.00	\$0.00	\$0.00	\$0.00	\$16,500.00	\$16,500.00			
				07/21/2011	\$0.00	\$0.00	\$0.00	\$16,500.00					
				<b>CIEDB-BC08-095 Totals:</b>					<b>\$115,870.08</b>	<b>\$226,551.10</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$422,171.18</b>
									<b>\$0.00</b>	<b>\$0.00</b>		<b>\$79,750.00</b>	
<b>Grand Totals:</b>					<b>\$115,870.08</b>	<b>\$226,551.10</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$422,171.18</b>				
					<b>\$0.00</b>	<b>\$0.00</b>		<b>\$79,750.00</b>					

## Attachment 4 Borrowers Statement of Account

### BORROWER STATEMENT OF ACCOUNT

**California Infrastructure & Economic Development Bank**  
 c/o CHP Cashiering Unit  
 P.O. Box 942900  
 Sacramento, CA 94298-2900

ACCOUNT NO: CIEDB-BC08-095  
 STATEMENT DATE: 12/16/2011  
 PAGE NUMBER: 1

**City of Paramount**  
 Public Works Director  
 16400 Colorado Avenue  
 Paramount, CA 90723

INTEREST THIS PERIOD: \$66,830.50

STATEMENT PERIOD  
 5/3/2010 To 12/16/2011

#### LOAN TERMS AND BALANCES

MATURITY: 8/1/2039  
 NOTE RATE: 3.31000000000000%  
 NEXT PAYMENT DUE: 2/1/2012  
 REGULAR PAYMENT: \$0.00  
 PAYMENT FREQUENCY: Semi-annually

PRINCIPAL BALANCE: \$2,459,816.68  
 ACCRUING BALANCE: \$5,384,129.92  
 UNPAID LATE CHARGES: \$0.00  
 UNPAID CHARGES: (\$232,762.99)  
 ACCRUED INTEREST: \$66,830.50

#### LOAN ACTIVITY

EFFECTIVE DATE	POST DATE	REFERENCE	TOTAL RECEIVED	INTEREST	DISTRIBUTION			PRINCIPAL BALANCE
					PRINCIPAL	LATE CHGS	OTHER	
5/3/2010	5/4/2010	New Loan Draw	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5/3/2010	5/4/2010	New Loan RC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5/3/2010	5/4/2010	New Fee RC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5/3/2010	5/4/2010	New Fee RC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/30/2010	9/20/2010	Loan Payment	\$44,501.11	\$44,501.11	\$0.00	\$0.00	\$0.00	\$0.00
7/30/2010	9/20/2010	Admin Fee Payment	\$16,500.00	\$0.00	\$0.00	\$0.00	\$16,500.00	\$0.00
8/1/2010	8/2/2010	Admin Fee	(\$16,500.00)	\$0.00	\$0.00	\$0.00	\$16,500.00	\$0.00
8/1/2010	5/10/2011	New Fee RC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8/1/2010	5/10/2011	Origination Fee	(\$46,750.00)	\$0.00	\$0.00	\$0.00	\$46,750.00	\$0.00
8/13/2010	8/16/2010	Loan Draw	(\$281,283.32)	\$0.00	(\$281,283.32)	\$0.00	\$0.00	\$281,283.32
8/13/2010	5/10/2011	Loan Payment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$281,283.32
8/13/2010	5/10/2011	Origination Fee Payment	\$46,750.00	\$0.00	\$0.00	\$0.00	\$46,750.00	\$281,283.32
11/5/2010	11/16/2010	Loan Draw	(\$102,232.39)	\$0.00	(\$102,232.39)	\$0.00	\$0.00	\$383,515.71
12/20/2010	12/29/2010	Loan Draw	(\$122,190.08)	\$0.00	(\$122,190.08)	\$0.00	\$0.00	\$505,705.79
1/12/2011	1/21/2011	Loan Draw	(\$273,947.95)	\$0.00	(\$273,947.95)	\$0.00	\$0.00	\$779,653.74
1/19/2011	3/14/2011	Loan Payment	\$91,024.99	\$91,024.99	\$0.00	\$0.00	\$0.00	\$779,653.74
2/8/2011	2/23/2011	Loan Draw	(\$45,001.76)	\$0.00	(\$45,001.76)	\$0.00	\$0.00	\$824,655.50
3/22/2011	3/29/2011	Loan Draw	(\$216,712.45)	\$0.00	(\$216,712.45)	\$0.00	\$0.00	\$1,041,367.95
4/13/2011	4/18/2011	Loan Draw	(\$213,759.27)	\$0.00	(\$213,759.27)	\$0.00	\$0.00	\$1,255,127.22
5/19/2011	5/31/2011	Loan Draw	(\$537,957.40)	\$0.00	(\$537,957.40)	\$0.00	\$0.00	\$1,793,084.62
6/16/2011	6/28/2011	Loan Draw	(\$425,069.20)	\$0.00	(\$425,069.20)	\$0.00	\$0.00	\$2,218,153.82
7/14/2011	7/21/2011	Loan Payment	\$206,895.08	\$91,025.00	\$115,870.08	\$0.00	\$0.00	\$2,102,283.74
7/14/2011	7/21/2011	Admin Fee Payment	\$16,500.00	\$0.00	\$0.00	\$0.00	\$16,500.00	\$2,102,283.74
7/20/2011	7/26/2011	Loan Draw	(\$357,532.94)	\$0.00	(\$357,532.94)	\$0.00	\$0.00	\$2,459,816.68
8/1/2011	8/1/2011	Admin Fee	(\$16,500.00)	\$0.00	\$0.00	\$0.00	\$16,500.00	\$2,459,816.68
				<b>\$226,551.10</b>	<b>(\$2,459,816.68)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,459,816.68</b>

## Attachment 5 Notice of Exemption

### Notice of Exemption

Form D

To: Office of Planning and Research  
P.O. Box 3044, Room 212  
Sacramento, CA 95812-3044

From: (Public Agency) City of Paramount  
16400 Colorado Avenue  
Paramount, CA 90723

(Address)

County Clerk  
County of Los Angeles, Environmental Filings  
12400 East Imperial Highway  
Norwalk, CA 90650

**ORIGINAL FILED**

**NOV 21 2011**

Project Title: Small Water Main Replacement

**LOS ANGELES COUNTY CLERK**

Project Location - Specific:

Various locations throughout the City.

Project Location - City: Paramount

Project Location - County: Los Angeles

Description of Nature, Purpose and Beneficiaries of Project:

The project consists of upgrading existing 4 inch water mains to 8 inch water mains. Approximately 5,000 4 inch pipes will be replaced with 8 inch pipes to improve water pressure and flow.

Name of Public Agency Approving Project: City of Paramount

Name of Person or Agency Carrying Out Project: John Carver

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);  
 Declared Emergency (Sec. 21080(b)(3); 15269(a));  
 Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
 Categorical Exemption. State type and section number: Class 2, Section 15302  
 Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

Reconstruction of existing utility systems involving negligible or no expansion of capacity.

Lead Agency

Contact Person: John Carver

Area Code/Telephone/Extension: 562-220-2048

If filed by applicant:

1. Attach certified document of exemption finding.  
2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

Signature: John Carver Date: 11/18/11 Title: Assistant Community Development Director

Signed by Lead Agency

Date received for filing at OPR: \_\_\_\_\_

Signed by Applicant

Revised 2005

## Attachment 6 Borrower's Resolution No. 11:037

CITY OF PARAMOUNT  
LOS ANGELES COUNTY, CALIFORNIA

### RESOLUTION NO. 11:037

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PARAMOUNT AUTHORIZING THE SUBMISSION OF A REQUEST TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR THE AMENDMENT OF A FINANCING AGREEMENT, DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF OBLIGATION, AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the California Infrastructure and Economic Development Bank ("I-Bank") administers a financing program to assist local governments with the financing of Public Development Facilities as described in Section 63000 *et seq.* of the California Government Code (the "Act"); and

WHEREAS, the City of Paramount ("Borrower") previously entered into an Enterprise Fund Installment Sale Agreement (the "Agreement") with the I-Bank for the financing of Water Well #15 Construction ("the Current Project") and now desires to amend the Agreement to add another component to the Current Project for Small Water Main Replacement (the "Additional Component" and together with the "Current Project", the "Project"); as well as to extend the disbursement deadline; and

WHEREAS, the Act requires the Borrower to certify by resolution certain findings in connection with the financing of the Additional Component by the I-Bank; and

WHEREAS, the Borrower expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Additional Component prior to incurring indebtedness for the purpose of financing costs associated with the Additional Component on a long-term basis; and

WHEREAS, the Borrower reasonably expects to incur an obligation ("Obligation") under the proposed amendment to the Agreement and reasonably expects that certain of the proceeds of such Obligation will be used to reimburse the Reimbursement Expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PARAMOUNT AS FOLLOWS:

Section 1. The Borrower hereby approves the amendment of the Agreement for the Current Project and in connection therewith certifies:

- a. that the Additional Component is consistent with the General Plan of both the City of Paramount and the County of Los Angeles;
- b. the financing is appropriate for the Additional Component;
- c. the Additional Component facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources;
- d. the Additional Component develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities; and
- e. the Additional Component is consistent with the I-Bank's Criteria, Priorities and Guidelines for the ISRF Program.

RESOLUTION NO. 11:037  
PAGE 2

Section 2. The Borrower hereby declares its official intent to use proceeds of the Obligation to reimburse itself for Reimbursement Expenditures. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Borrower to make any expenditure, incur any indebtedness, or proceed with the Additional Component.

Section 3. All of the Reimbursement Expenditures were made no earlier than 60 days prior to the date of this Declaration. The Borrower will allocate proceeds of the Obligation to pay Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure is paid or the date the Additional Component is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid.

Section 4. The City Manager, or designee, is hereby authorized and directed to act on behalf of the Borrower in all matters pertaining to this application.

Section 5. If the application is approved, the City Manager, or designee is authorized to enter into and sign the financing documents and any amendments thereto with the I-Bank for the purposes of this amendment request.

Section 5. This resolution shall become effective immediately upon adoption.

PASSED, APPROVED, and ADOPTED by the City Council of the City of Paramount on this 20<sup>th</sup> day of December, 2011.

  
\_\_\_\_\_  
Daryl Hofmeyer, Mayor

ATTEST:

  
\_\_\_\_\_  
Lana Chikami, City Clerk



DEC 21 '11 PM 4:35

### CERTIFICATION

STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    ) ss.  
CITY OF PARAMOUNT         )

I, Lana Chikami, City Clerk of the City of Paramount, California, DO HEREBY CERTIFY that the attached document is a true and correct copy of City of Paramount **Resolution No. 11:037** adopted by the City Council of the City of Paramount at their meeting held on **December 20, 2011**.

Signed and sealed this 21<sup>st</sup> day of December 2011.



\_\_\_\_\_  
Lana Chikami, City Clerk

(SEAL)