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RESOLUTION NO. CUA 2012-02

**RESOLUTION OF THE COLTON UTILITY AUTHORITY
APPROVING AN ADVANCE LEASE PAYMENT TO THE CITY
OF COLTON AND ADOPTING THE BUDGET FOR THE FISCAL
YEAR COMMENCING JULY 1, 2012 AND ENDING JUNE 30, 2013**

WHEREAS, the City Manager of the City of Colton has prepared the proposed annual budget for Fiscal Year 2012-13 which sets forth all of the expected revenue and the recommended appropriations to meet the operating and capital needs for all of the City's operations; and

WHEREAS, the Colton Utility Authority is comprised of the City's water and wastewater operations which are incorporated in the Recommended Budget for the City of Colton for the Fiscal Year commencing July 1, 2012 and ending June 30, 2013.

WHEREAS, the Colton Utility Authority and the City of Colton entered into a lease agreement dated September 1, 2000; and

WHEREAS, the Colton Utility Authority agrees to make annual lease payments to the City in the amount of \$870,000 and \$570,000 annually from the Water and Wastewater enterprises, respectively; over the 55 year lease term; and

WHEREAS, Section 9.2 of the lease agreement entitled "Optional Prepayment" states that "The Authority may prepay the Lease Payments in whole or in part, on any date"; and

WHEREAS, the Authority desires to make a prepayment under the lease agreement from the Wastewater enterprise to the City of Colton.

NOW, THEREFORE, THE COLTON UTILITY AUTHORITY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Wastewater Enterprise is authorized to make an advance payment on its lease obligation in the amount of \$ 4,991,938. As indicated in Attachment "A" attached hereto and incorporated herein by reference, after inclusion of said advance payment, "Total Rental" payments do not exceed the maximum as provided in Section 1.1 of the lease agreement (See Attachment A for calculation of total payments to date).

SECTION 2. Funds are available in the Wastewater Enterprise to make the advance lease payment without impact to bondholders or rate payers.

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SECTION 3. The Fiscal Year 2012-13 budget is hereby authorized to include the above lease payment. The Management Services Director is authorized to make the appropriate budget adjustments to incorporate the payment.

SECTION 4. The Budget for the City of Colton for the Fiscal Year commencing July 1, 2012 and ending June 30, 2013, which includes Colton Utility Authority operations, is hereby approved and adopted and incorporated herein.

SECTION 5. The Approved Budget is in accordance with all applicable ordinances of the City and all applicable statutes of the State.

SECTION 6. Under the direction of the City Manager the Management Services Director may make the reallocation of appropriations within funds. Amendments (Increases/Decreases) to the Budget shall be by approval and Resolution of the Colton Utility Authority.

SECTION 7. At the end of FY 2011-12, certain purchase orders exist as outstanding encumbrances representing contractual obligations of previously budgeted funds. In addition, certain amounts have been included in the FY 2011-12 budget that relate to one-time allocations for projects and services, but remain unspent. The outstanding encumbrances and, at the City Manager's discretion, any unspent one-time allocations are deemed to be rebudgeted as an addition to the budget amounts previously approved in this resolution. All such amounts have been removed from available balances in the FY 2012-13 projections.

SECTION 8. The Secretary of the Colton Utility Authority shall certify the adopting of the Budget and shall cause to be filed with the County Auditor within 60 days of the adoption, a certified copy of the Budget and Resolution.

PASSED, APPROVED AND ADOPTED this 19th day of June, 2012


SARAH S. ZAMORA, President
Colton Utility Authority

ATTEST:


EILEEN C. GOMEZ, Secretary
Colton Utility Authority

CITY OF COLTON

Date	5.048% NPV Factor	5.048% Escalation	Wastewater			
			Actual Lease Payments		Outstanding Balance	
			Current \$ (Note 1)	Net Present Value (Note 2)	Net Present Value (Note 3)	Current \$ (Note 4)
9/1/2000	1.0000	1.0000	\$ -	\$ -	\$ 36,682,260	\$ 36,682,260
6/30/2001	0.9599	1.0418	(1,092,500)	(1,048,716)	35,633,544	37,121,265
6/30/2002	0.9138	1.0943	(570,000)	(520,863)	35,112,682	38,425,147
6/30/2003	0.8699	1.1496	(570,000)	(495,833)	34,616,849	39,794,848
6/30/2004	0.8281	1.2076	(570,000)	(472,006)	34,144,842	41,233,692
6/30/2005	0.7883	1.2686	(570,000)	(449,324)	33,695,518	42,745,169
6/30/2006	0.7504	1.3326	(570,000)	(427,732)	33,267,786	44,332,945
6/30/2007	0.7143	1.3999	(570,000)	(407,178)	32,860,607	46,000,872
6/30/2008	0.6800	1.4705	(570,000)	(387,611)	32,472,996	47,752,996
6/30/2009	0.6473	1.5448	(570,000)	(368,985)	32,104,011	49,593,567
6/30/2010	0.6162	1.6228	(570,000)	(351,254)	31,752,757	51,527,051
6/30/2011	0.5866	1.7047	(570,000)	(334,375)	31,418,383	53,558,136
6/30/2012	0.5584	1.7907	(570,000)	(318,306)	31,100,076	55,691,751
* 6/30/2013	0.5316	1.8811	(570,000)	(303,010)	31,115,372	58,531,844
** 6/30/2013	0.5316	1.8811	(4,991,938)	(2,653,701)	28,446,375	53,511,132
			\$ (12,924,438)	\$ (8,538,895)		

Note 1: Actual lease payments made

Note 2: Net present value of the actual payments made

Note 3: Net present value of the remaining lease payments

Note 4: Future current value of remaining lease payments

*Budgeted annual Payment

**Proposed Advance Payment

1 STATE OF CALIFORNIA)
2 COUNTY OF SAN BERNARDINO) ss
3 CITY OF COLTON)

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5 I, Eileen C. Gomez, Secretary for the Colton Utility Authority of the City of Colton,
6 California, do hereby certify under penalty of perjury that the foregoing is a full, true and
7 correct copy of Resolution No. CUA 2012-02 and was duly passed, approved, and
8 adopted by the Colton Utility Authority of the City of Colton at a Regular Meeting on the
9 19th day of June, 2012, by the following vote to wit:

10 AYES: MEMBER Toro, Gonzales, Yzaguirre, Oliva,
11 Perez, and Mayor Zamora
12 NOES: MEMBER Bennett
13 ABSTAIN: MEMBER None
14 ABSENT: MEMBER None
15

16
17 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official
18 seal of the City of Colton, California, this ____ day of _____, 2012.

19
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21 _____
22 EILEEN C. GOMEZ,
23 Secretary for the Colton Utility Authority

24 (SEAL)
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