

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BURLINGAME  
AUTHORIZING THE EXECUTION AND DELIVERY OF A CONSTRUCTION  
INSTALLMENT SALE AGREEMENT WITH THE STATE WATER RESOURCES  
CONTROL BOARD FOR THE WASTEWATER TREATMENT FACILITY DIGESTER  
IMPROVEMENTS PROJECT, CITY PROJECT NO. 86580, AND AUTHORIZING  
OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the City of Burlingame, California (the “City”) has the general power to sell and purchase property; and

**WHEREAS**, the City Council (the “City Council”) of the City approved the design of the Wastewater Treatment Facility Digester Improvements Project, City Project No. 86580 (“WWTF Digester Improvements Project”), at its regularly scheduled meeting on July 5, 2022, by Resolution No. 085-2022; and

**WHEREAS**, the City Council authorized the City Manager, or her designee, to submit a Clean Water State Revolving Fund Financial Assistance Application to the California State Water Resources Control Board (the “State Water Board”) for funding for the design and construction of the WWTF Digester Improvements Project at its regularly scheduled meeting on November 21, 2022, by Resolution No. 134-2022; and

**WHEREAS**, the WWTF Digester Improvements Project will address the required improvements for anaerobic digestion process by replacing the digester equipment building, digester no. 2, and sludge storage tank, including minor retrofits to digester no. 1, at the Wastewater Treatment Facility since these components have reached the end of their useful life and have seismic deficiencies; and

**WHEREAS**, the City Council now desires to authorize the execution and delivery of a Construction Installment Sale Agreement with the State Water Board (the “2026 Installment Sale Agreement”) pursuant to which funding for the design and construction of the WWTF Digester Improvements Project will be provided to the City; and

**WHEREAS**, the City previously entered into the following installment sale agreements (collectively, the “Existing Installment Sale Agreements”) to finance and refinance capital improvements to the City’s wastewater system, pursuant to which the City is obligated to make installment payments:

(a) Installment Sales Agreement dated as of January 23, 2003, by and between City and the State Water Board, as amended from time to time;

(b) Project Finance Agreement dated as of May 12, 2010, by and between City and the State Water Board, as amended from time to time;

(c) 2011 Installment Sale Agreement (Wastewater System) dated as of November 1, 2011, between the City and the Burlingame Financing Authority (the "Authority");

(d) 2013 Installment Sale Agreement (Wastewater System) dated as of May 1, 2013, between the City and the Authority; and

(e) 2016 Installment Sale Agreement (Wastewater System) dated as of June 1, 2016, between the City and the Authority;

**WHEREAS**, the City's installment payment obligations under the 2026 Installment Sale Agreement will be payable from, and secured by, net revenues of the City's wastewater system on parity with its installment payment obligations under the Existing Installment Sale Agreements;

**WHEREAS**, on March 4, 2019, the City Council adopted a Debt Management Policy for the City that complies with Government Code Section 8855(i) (the "Debt Management Policy"), and the City's financing described in this Resolution and its obligations under the 2026 Installment Sale Agreement as contemplated by this Resolution is in compliance with the Debt Management Policy;

**WHEREAS**, good faith estimates of certain information relating to the 2026 Installment Sale Agreement are attached as Exhibit A to this Resolution as required by Section 5852.1 of the Government Code;

**WHEREAS**, the City Council has duly considered the 2026 Installment Sale Agreement and wishes at this time to approve said agreement in the public interests of the City.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BURLINGAME, CALIFORNIA FINDS, RESOLVES AND ORDERS AS FOLLOWS:**

1. Each of the above recitals is true and correct.

2. The form of the 2026 Installment Sale Agreement, on file with the City Clerk, is hereby approved, and the Mayor, the City Manager, the Finance Director, and each of their authorized designees (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver the 2026 Installment Sale Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the principal components of the installment payments thereunder shall not exceed \$30,000,000.

3. With the passage of this Resolution, the City Council hereby confirms that it has adopted the Debt Management Policy and certifies that such Debt Management Policy complies with Government Code Section 8855(i), and that the City's financing described in this Resolution and its obligations under the 2026 Installment Sale Agreement as contemplated by this Resolution is in compliance with the Debt Management Policy, and to the extent the execution and delivery of the 2026 Installment Sale Agreement is not in compliance with the Debt Management Policy, such noncompliance is waived in accordance with the terms of the Debt Management Policy, and instructs Anzel Galvan LLP, as Bond Counsel, on behalf of the City, (a) to cause notices of the proposed sale and final sale of the 2026 Installment Sale Agreement to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the City, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

4. The officers, employees and agents of the City are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, which in consultation with City Attorney or with Bond Counsel, they may deem necessary or advisable, in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. All actions heretofore taken by the Authorized Officers and the other officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

5. This Resolution will take effect from and after its date of adoption.

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Michael Brownrigg, Mayor

I, Meaghan Hassel-Shearer, City Clerk of the City of Burlingame, certify that the foregoing Resolution was introduced at a regular meeting of the City Council held on the 6<sup>th</sup> day of July, 2026 and was adopted thereafter by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

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Meaghan Hassel-Shearer, City Clerk

## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2026 Installment Sale Agreement in accordance with Section 5852.1 of the Government Code.

*Principal Amount.* Based on the City's financing plan, the good faith estimate of the aggregate principal component of the installment payments to be made under the 2026 Installment Sale Agreement (the "Installment Payments") is \$30,000,000 (the "Estimated Principal Amount").

*True Interest Cost of the 2026 Installment Sale Agreement.* Assuming the aggregate principal component of the Installment Payments is equal to the Estimated Principal Amount, the good faith estimate of the true interest cost of the Installment Payments, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the date the 2026 Installment Sale Agreement is executed and delivered by the parties, is 2.00%.

*Finance Charge of the 2026 Installment Sale Agreement.* Assuming the aggregate principal component of the Installment Payments is equal to the Estimated Principal Amount, the good faith estimate of the finance charge for the 2026 Installment Sale Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the 2026 Installment Sale Agreement), is \$0.

*Amount of Proceeds to be Received.* Assuming the aggregate principal component of the Installment Payments is equal to the Estimated Principal Amount, the good faith estimate of the amount of proceeds expected to be received by the City under the 2026 Installment Sale Agreement, less the finance charge of the 2026 Installment Sale Agreement, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2026 Installment Sale Agreement, is \$30,000,000.

*Total Payment Amount.* Assuming the aggregate principal component of the Installment Payments is equal to the Estimated Principal Amount, the good faith estimate of the total payment amount, which means the sum total of all Installment Payments the City will make, plus the finance charge for the 2026 Installment Sale Agreement, as described above, not paid with the proceeds of the 2026 Installment Sale Agreement, calculated to the final maturity of the 2026 Installment Sale Agreement, is \$40,184,930, which excludes any reserves or capitalized interest paid or funded with proceeds of the 2026 Installment Sale Agreement (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only. The actual aggregate principal component of the Installment Payments, the true interest cost of the 2026 Installment Sale Agreement, 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 the 2026 Installment Sale Agreement is executed and delivered being different than the date assumed for purposes of such

estimates, (b) the actual aggregate principal component of the Installment Payments being different from the Estimated Principal Amount, (c) the actual amortization of the Installment Payments being different than the amortization assumed for purposes of such estimates, (d) other market conditions, and (e) alterations to the City's financing plan, or a combination of such factors.