

**RESOLUTION NO. 2026-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF MERCED, CALIFORNIA  
AUTHORIZING THE EXECUTION AND  
DELIVERY OF A CONSTRUCTION  
INSTALLMENT SALE AGREEMENT WITH  
THE STATE WATER RESOURCES  
CONTROL BOARD**

WHEREAS, the City of Merced (“City”) owns and operates a system for the collection, treatment and disposal of wastewater within the service area of the City (the “Wastewater System”); and

WHEREAS, the City plans to make certain capital improvements to the Wastewater System, known as the “Wastewater Treatment Facility Phase VI Improvements Project” (the “Project”); and

WHEREAS, the aggregate cost of the Project is currently estimated at approximately \$62 million, and the City desires to finance up to \$50 million of such cost through the State Water Resources Control Board’s Clean Water State Revolving Fund (CWSRF) financing program; and

WHEREAS, the City Council previously adopted Resolution No. 2025-04, authorizing City staff to apply for the CWSRF financing, and declaring the City’s intention to spend monies on the Project prior to the approval of a final agreement with the State Water Resources Control Board, preserving the City’s ability to be reimbursed for monies expended prior to agreement execution; and

WHEREAS, the State Water Resources Control Board has provided the City a substantially final form of Construction Installment Sale Agreement required to implement the proposed CWSRF financing, and the City Council at this time wishes to approve the execution and delivery of the Construction Installment Sale Agreement; and

WHEREAS, the good-faith estimates required by section 5852.1 of the California Government Code related to the Construction Installment Sale Agreement are set forth in the staff report accompanying this Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That the City Manager (the “Authorized Representative”) is authorized to execute and deliver the Construction Installment Sale Agreement with the State Water Resources Control Board, in substantially the form on file with the City Clerk, with such changes as the Authorized Representative may require or approve in consultation with the City Attorney and Jones Hall LLP, as bond counsel to the City, with such approval to be conclusively evidenced by the execution and delivery thereof. The City’s payment obligations under the Construction Installment Sale Agreement shall be payable from, and secured by, a pledge of the net revenues of the Wastewater System, and be subject to the other terms and conditions described therein.

SECTION 2. That the City Council finds and determines that the Construction Installment Sale Agreement complies with the City’s debt management policy, Resolution No. 2025-04, and to the extent of any inconsistency, the Construction Installment Sale Agreement, as executed and delivered, shall control, and be valid and enforceable against the City in accordance with its terms. The Authorized Representative is authorized to execute and delivery any other necessary documents related to the foregoing.

That all recitals in this Resolution are true and correct and this City so finds, determines, and represents.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:  
MATTHEW SERRATTO, MAYOR

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Mayor

ATTEST:  
D. SCOTT MCBRIDE, CITY CLERK

BY: \_\_\_\_\_  
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:  
CRAIG J. CORNWELL, CITY ATTORNEY

BY: Craig Cornwell 4-23-2026  
City Attorney Date