



**DATE:** May 7, 2024

**TO:** Mayor and City Council

**FROM:** Director of Finance & Director of Public Works

**SUBJECT:** Introduction of an Ordinance Adding Article 22 to the Chapter 8 of the Hayward Municipal Code regarding Water and Wastewater Enterprise Revenue Bond Law; Finding that this Action is Subject to CEQA Common Sense Exemption

## **RECOMMENDATION**

That the Council introduces the attached Ordinance (Attachment II) adding Article 22, Chapter 8 to the Hayward Municipal Code regarding Water and Wastewater Enterprise Revenue Bond Law.

## **SUMMARY**

The purpose of the proposed addition of Article 22, Chapter 8 to the Hayward Municipal Code regarding Water and Wastewater Enterprise Revenue Bond Law is to provide the procedures to be followed by the City with respect to the authorization, issuance and sale of bonds and other obligations for the purpose of financing capital improvement costs related to the water enterprise of the City and the wastewater enterprise of the City.

## **BACKGROUND**

Article XI, Section 5 of the California Constitution states if a city adopts a charter, it is authorized to “make and enforce all ordinances and regulations in respect to municipal affairs.” This has been interpreted to mean a charter city wishing to exercise its municipal affairs powers under the charter must do so by enacting an ordinance. In the case of the City issuing bonds, it means the ordinance approval process is necessary for every bond authorization.

## **DISCUSSION**

The City’s Bond Counsel, Jones Hall, has recommended the City Council adopt an ordinance that authorizes future bond issues for Water and Wastewater Enterprises, and provides that individual bond issues be approved by a resolution of the City Council. This approach meets the California Constitution’s requirements without delaying individual bond issues with the time-consuming process of adopting an ordinance for each and every one.

The ordinance applies to water and wastewater systems the Department of Public Works & Utilities to finance capital improvements. The ordinance defines the procedures to follow with respect to the authorization, issuance and sale of bonds. All of these procedures are in keeping with the existing City of Hayward [Debt Issuance and Management Policy](#) that establishes objectives, parameters, and guidelines for responsibly issuing and administering the City's debt. Council will still be required to approve a resolution prior to any debt issuance.

## **FISCAL IMPACT**

There is not an anticipated significant fiscal impact in completing this action.

## **STRATEGIC ROADMAP**

This is a routine operational item; it is not linked to a specific strategic roadmap item.

## **NEXT STEPS**

If Council introduces the ordinance, it will be brought back for adoption at a subsequent City Council meeting. The ordinance will take effect 30 days after adoption by Council.

*Prepared by:* Elli Lo, Senior Management Analyst

*Recommended by:* Alex Ameri, Director of Public Works  
Nicole Gonzales, Director of Finance

Approved by:



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Dustin Claussen, Interim City Manager