

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

**Item 5  
Att 2**

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA STATING THE CITY'S INTENT TO REIMBURSE EXPENDITURES PAID PRIOR TO EITHER THE ISSUANCE OF OBLIGATIONS OR THE APPROVAL BY THE STATE WATER RESOURCES CONTROL BOARD OF THE PROJECT FUNDS FOR THE BIOSOLIDS PROCESSES IMPROVEMENTS PROJECT AT THE EL ESTERO WASTEWATER TREATMENT PLANT

WHEREAS, the City of Santa Barbara ("City") desires to finance the cost of planning, designing, and constructing certain public facilities and improvements relating to the Biosolids Processes Improvements Project at the El Estero Wastewater Treatment Plant ("Project");

WHEREAS, the City intends to finance the Project with monies (Project Funds) provided to the City through a Clean Water State Revolving Fund financing agreement from the State of California, acting by and through the State Water Resources Control Board ("State Water Board");

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations, the interest upon which is excluded from gross income for federal income tax purposes ("Obligations");

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds, the City desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available monies of the City; and

WHEREAS, the City has determined that those monies to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period, and it is necessary to reimburse the City for the Expenditures from the proceeds of the Obligations.

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

SECTION 1. The City hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$22,000,000.

SECTION 3. This Resolution is being adopted no later than 60 days after the date on which the City will expend monies for the portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each City expenditure will be of a type properly chargeable to a capital

account under general federal income tax principles.

SECTION 5. To the best of the City's knowledge, the City is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This Resolution is adopted as official intent of the City in order to comply with Treasury Regulation §1 .150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and the City so finds, determines and represents.