

## RESOLUTION NO. 2009-268

Adopted by the Sacramento City Council

May 5, 2009

### DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF OBLIGATIONS

#### BACKGROUND

- A. The City of Sacramento desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its wastewater and drainage systems, including certain pumping facilities, pipelines and other infrastructure, as listed in Exhibit A attached hereto (the "Projects"):
- B. The City intends to finance the construction and/or reconstruction of the Projects or portions of the Projects with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (SWRCB), if the necessary financing agreement(s) are approved.
- C. The SWRCB 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 (the "Obligations").
- D. Prior to either the issuance of the Obligations or the approval by the SWRCB of the Project Funds the City desires to incur certain capital expenditures (the "Expenditures") with respect to the Projects from available moneys of the City.
- E. Those moneys 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, if the necessary financing agreement(s) are approved.

#### BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Council finds, determines and represents that the foregoing recitals are true and correct.
- Section 2. If the necessary financing agreement(s) are approved, 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 SWRCB of the Project Funds.
- Section 3. The reasonably expected maximum principal amount of the SWRCB Project Funds is \$ \_\_\_\_\_.

- Section 4. This Resolution is being adopted not later than 60 days after the date on which the City will expend moneys for the portion of the costs of the Projects to be reimbursed with Project Funds, if the necessary financing agreement(s) are approved.
- Section 5. Each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.
- Section 6. This Resolution is adopted as the official intent of the City solely 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 costs for the Projects, and does not bind the City to make any expenditure, incur any indebtedness or proceed with the Projects.
- Section 7. To the best of its 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.

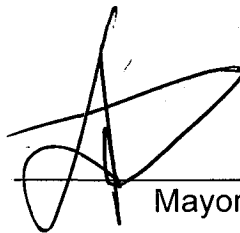
Adopted by the City of Sacramento City Council on May 5, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:

  
Shirley Concolino, City Clerk

## EXHIBIT A

### CLEAN WATER PROGRAM STATE WATER RESOURCES CONTROL BOARD (SWRCB):

1. Sewer Pipe Rehabilitations
2. Sewer Pipe Replacement – 5<sup>th</sup> St. bet. P and U St.
3. Combined Sanitary Sewer Relief - 3rd St. bet. H and T St.
4. Pocket Canal and Bay Drive Canal Lining
5. Sump 153 Electrical Improvements
6. Sump 154 Outfall Lining
7. Curtis Park Regional Storage