

RESOLUTION NO. 6861

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS  
EXPRESSING ITS INTENT TO REIMBURSE CITY CAPITAL EXPENDITURES  
ASSOCIATED WITH THE CITY'S WATER AND WASTEWATER SYSTEMS  
FROM THE PROCEEDS OF A STATE WATER RESOURCES CONTROL BOARD  
CLEAN WATER STATE REVOLVING FUND AND/OR WATER RECYCLING  
FUNDING PROGRAM FINANCING

WHEREAS, the City of Redlands (the "City") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater systems, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the City intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board ("State Water Board"); and

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 (the "Obligations"); and

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 moneys of the City; and

WHEREAS, the City has determined that 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;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Redlands 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 \$7,300,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the City will expend moneys 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 our knowledge, this 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 this City so finds, determines and represents.

ADOPTED, SIGNED AND APPROVED this 21st of July, 2009.

\_\_\_\_\_  
Jon Harrison, Mayor

ATTEST:

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Lorrie Poyzer, City Clerk

I, Lorrie Poyzer, City Clerk of the City of Redlands, hereby certify that the foregoing resolution was duly adopted by the City Council at a regular meeting thereof held on the 21<sup>st</sup> of July, 2009, by the following vote:

AYES:

NOES:

ABSENT:

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City Clerk