

Resolution No.

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE REIMBURSEMENT OF CITY'S CAPITAL EXPENDITURES OF THE REGIONAL WASTEWATER CONTROL FACILITY MODIFICATIONS PROJECT

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

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

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

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

The City staff has determined that those moneys 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; and

This resolution is being adopted no later than 60 days after the date on which the City will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds; and

A previous adoption of official intents by the City as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Council hereby authorizes that the City 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. The reasonably expected maximum principal amount of the Project Funds is \$150,000,000.

2. The City Council hereby authorizes that each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

3. The City Council hereby adopts this Resolution as official intent of the City in compliance with Treasury Regulation section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs and that all the recitals in this Resolution are true and correct.

4. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the intent of this Resolution.

PASSED, APPROVED, and ADOPTED October 3, 2017.

MICHAEL D. TUBBS, Mayor
of the City of Stockton

ATTEST:

BRET HUNTER, CMC
Interim City Clerk of the City of Stockton