

RESOLUTION NO. 15-003

**AUTHORIZING THE CITY OF PACIFIC GROVE IN SUPPORT
REIMBURSEMENT OF A STATE REVOLVING FUND LOAN FOR THE
PACIFIC GROVE LOCAL WATER PROJECT**

WHEREAS, the City of Pacific Grove (the “City”) desires to finance the cost of constructing and/or reconstructing certain public facilities’ and improvements related to treatment facilities, pipelines and other infrastructure of the Pacific Grove Local Water Project (the “Project); and

WHEREAS, the City intends to finance the construction of the Local Water 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 Local Water 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 of the Expenditures from the proceeds of the Obligations.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF PACIFIC GROVE:**

1. The City Council hereby states its intention and reasonable expectation to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.
2. The reasonable expected maximum principal amount of the Project Funds is \$5,311,000.
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.
4. Each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.
5. To the best of the City Council’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 obligation have not been issued;
6. This resolution is adopted as an official intent of the City in order to comply 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;

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

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 21st, day of January, 2015, by the following vote:

AYES: Mayor Kampe, Councilmembers Cuneo, Fischer, Huitt, Lucius, Peake

NOES: Councilmember Miller

ABSENT: None

APPROVED:

BILL KAMPE, Mayor

ATTEST:

SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney