

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING RESOLUTION NO. 15-047 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 REACTIVATION OF THE CHARLES E. MEYER DESALINATION PLANT

WHEREAS, on March 24, 2015, the City Council adopted Resolution No. 15-017 stating the City's intent to reimburse expenditures paid prior to the approval by the State Water Resources Control Board of Project funds for the reactivating of the Charles E. Meyer Desalination Plant which Resolution was rescinded on June 16, 2015 by adoption of Resolution No. 15-047;

WHEREAS, on June 16, 2015, the City Council adopted Resolution No. 15-047 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 (State Water Board) of the Project Funds for reactivating the Charles E. Meyer Desalination Plant;

WHEREAS, Resolution No. 15-047 stated that the reasonably expected maximum principal amount of the Project Funds was \$55 million;

WHEREAS, the City of Santa Barbara (the "City") desires to increase the amount financed for planning, designing, and constructing and/or reconstructing certain public facilities and improvements relating to the Reactivation of the Charles E. Meyer Desalination Plant;

WHEREAS, the City intends to finance the planning, designing, and 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 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 (the 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 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 COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. This Resolution is adopted to state the City's intent to finance the Project Expenditures with tax exempt proceeds.

SECTION 2. 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 3. The reasonably expected maximum principal amount of the Project Funds is \$106 million.

SECTION 4. 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.

SECTION 5. Each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 6. 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 7. 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 8. All the recitals in this Resolution are true and correct and the City so finds, determines and represents.