

REIMBURSEMENT RESOLUTION

RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES STATING ITS PRESENT INTENTION AND EXPECTATION TO REIMBURSE EXPENDITURES TO BE INCURRED BY THE CITY IN THE PLANNING, DESIGN AND CONSTRUCTION OF THE PROPOSED ADVANCED WASTEWATER PURIFICATION FACILITY PLANNED TO BE LOCATED AT THE DONALD C. TILLMAN WATER RECLAMATION PLANT (“WATER PURIFICATION FACILITY”) PRIOR TO THE ISSUANCE OF OBLIGATIONS APPROVED BY THE STATE WATER RESOURCES CONTROL BOARD OR THE APPROVAL BY SAID BOARD OF FINANCING FOR WATER PURIFICATION FACILITY

WHEREAS, the City of Los Angeles (the “City”) intends to obtain assistance in financing the cost of planning, designing and constructing certain public facilities related to the City’s Wastewater System, consisting of an Advanced Wastewater Purification Facility planned to be located at the Terminal Island Water Reclamation Plant (the “Project”); and

WHEREAS, subject to the approval of the City’s application therefor by SWRCB and to the finalization and execution of necessary documentation related to the financing of the Project to the mutual satisfaction of the parties thereto, the City intends to obtain assistance in financing the planning, design and construction of the Project or portions of the Project with moneys including loans and grants (“Project Funds”) to be provided by the State of California, acting by and through the State Water Resources Control Board (the “SWRCB”); and

WHEREAS, the SWRCB may fund the Project Funds as it determines is necessary or desirable, including 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 SWRCB of Project Funds, the City intends to incur certain capital expenditures for the Project including costs and expenses relating to planning, designing and constructing the Project (the “Expenditures”) and to have such Expenditures be paid from available moneys of the City pursuant to this Resolution; and

WHEREAS, the City has determined that those moneys to be advanced on or after the date hereof to pay the Expenditures are available only for a temporary period and that it is necessary to, and the City shall be, reimbursed for the Expenditures from the proceeds of the Obligations;

NOW, THEREFORE, the City does hereby resolve, order and determine as follows:

Section 1. The foregoing recitals are true and correct, and the Council of the City (the "City Council") so finds.

Section 2. The City hereby states its present intention and that it reasonably expects to reimburse Expenditures to be paid for Expenditures it will incur for the Project 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 Project Funds is \$ 460,000,000.

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 knowledge of the City, 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 the official intent of the City and is designed 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 the Project costs.

PASSED and ADOPTED by the City council this _____ day of _____, 2017, by the following vote:

AYES:

NOES:

ABSENT"

APPROVED AS TO FORM

MICHAEL N. FEUER, City Attorney

By: _____

Timothy J. Fitzpatrick
Deputy City Attorney

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on _____, 2017.

HOLLY L. WOLCOTT, City Clerk

By: _____
City Clerk