

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 DONALD C. TILLMAN ADVANCED WASTEWATER PURIFICATION FACILITY PROJECT PLANNED TO BE LOCATED AT THE DONALD C. TILLMAN WATER RECLAMATION PLANT AND GROUNDWATER SPREADING BASINS PRIOR TO THE ISSUANCE OF OBLIGATIONS APPROVED BY THE STATE WATER RESOURCES CONTROL BOARD OR THE APPROVAL BY SAID BOARD OF FINANCING FOR SUCH WATER PURIFICATION FACILITY

WHEREAS, the City of Los Angeles (the "City") intends to obtain assistance in financing the cost of planning, design and construction of certain public facilities related to the City's Wastewater System, consisting of a proposed Donald C. Tillman Advanced Water Purification and Groundwater Replenishment Project (CWSRF Project No. 8063) to be located at the Donald C. Tillman Water Reclamation Plant and Groundwater Spreading Basins (collectively, the "Project");

WHEREAS, subject to the approval of the City's application and 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");

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");

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, design and construction of the Project (the "Expenditures") and to have such Expenditures 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, BE IT RESOLVED by the Council of the City of Los Angeles as follows:

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

Section 2. The City reasonably expects to reimburse Expenditures 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 Project costs to be reimbursed with Project Funds.

Section 5. The Expenditures 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.

Section 8. This Resolution shall take effect immediately upon its adoption.

[Remainder of Page Left Intentionally Blank]

PASSED and ADOPTED by the City council this _____ day of _____, 2018,
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 _____, 2018.

HOLLY L. WOLCOTT, City Clerk

By: _____
City Clerk