

**RESOLUTION NO. 2021-24**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA DECLARING ITS INTENTION TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO AS REQUIRED BY UNITED STATES DEPARTMENT OF TREASURY REGULATIONS SECTION 1.150-2**

**WHEREAS**, the City Council of the City of San Juan Bautista (the “City”), after due investigation and deliberation, desires to undertake proceedings for the financing (the “Financing”) the certain costs of acquiring, constructing and/or equipping certain improvements to its wastewater system, as general described in Exhibit A attached hereto and incorporated herein (collectively, the “Project”); and

**WHEREAS**, the City intends to finance the acquisition, construction and/or equipping of the Project or portions of the Project with the proceeds of tax-exempt bonds, notes, certificates of participation, revenue bonds or other forms of tax-exempt debt (the “Debt Obligations”); and

**WHEREAS**, prior to the issuance of any Debt Obligations the City desires to incur certain capital expenditures (the “Reimbursable Expenditures”) with respect to the Project from available moneys of the City; and

**WHEREAS**, the City Council has determined that those moneys which will be advanced on and after the date hereof to pay Reimbursable Expenditures are available only for a temporary period, and it is necessary to reimburse the City for such Reimbursable Expenditures from the proceeds of the Debt Obligations, all as set forth pursuant to Section 1.150-2 of the regulations (the “Treasury Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the “Tax Code”); and

**WHEREAS**, this Resolution will be reasonably available for public inspection within a reasonable period of time after its date of adoption and in the same manner governing the public availability of records of other official acts of the City Council; and

**WHEREAS**, this Resolution is intended to be a “declaration of official intent” in accordance with Section 1.150-2 of the Treasury Regulations; and

**WHEREAS**, in order to efficiently accomplish the Financing and issuance of the Debt Obligations, the City desires to appoint certain legal and financial consultants to provide the necessary professional services in connection therewith; and

**WHEREAS**, this action does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines Section 15378; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1.** The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

**Section 2.** The City reasonably expects to reimburse itself for the Reimbursable Expenditures made by the City in anticipation of the issuance of the Debt Obligations with proceeds of Debt Obligations. The reimbursement of Reimbursable Expenditures is consistent with the City's budgetary and financial circumstances.

**Section 3.** The City Council hereby determines that it is necessary and desirable to proceed with the Financing and procurement of the Debt Obligations, subject to final authorization thereof by resolution of the City Council at a subsequent meeting held for such purpose. This Resolution does not bind the City to make any expenditure, incur any indebtedness or ultimately provide for the Financing and procurement of the Debt Obligations.

**Section 4.** The maximum principal amount of the Debt Obligations from which Reimbursable Expenditures are to be made is reasonably expected to be \$500,000. The obligation to be represented by the Debt Obligations may be incurred by the City by means of the execution and delivery of lease agreement, installment sale agreement, certificates of participation and/or revenue notes and/or bonds.

**Section 5.** The proceeds from the Debt Obligations are to be used for the financing, acquisition, design and/or construction of the Project, funding a reserve fund, a capitalized interest fund, and for paying certain costs of issuance related thereto.

**Section 6.** This Resolution is adopted for purposes of establishing compliance with the requirements of section 1.150-2 of the Treasury Regulations. This Resolution does not bind the City to make any expenditure, incur any indebtedness or proceed with the Financing of the Projects. All of the Reimbursable Expenditures covered by this Resolution were made not earlier than 60 days prior to the date of adoption hereof.

**Section 7.** The Mayor, City Manager, City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate any of the transactions contemplated by the documents approved pursuant to this Resolution.

**Section 8.** This Resolution shall take effect from and after the date of its passage and adoption.

**Resolution 2021-24  
Reimbursement Agreement**

**PASSED, APPROVED AND ADOPTED** this 18<sup>th</sup> day of May, 2021, by the following roll call vote:

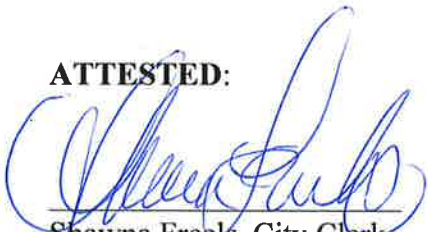
**AYES:** Jordan, Flores, Freeman, Freels

**NOES:** None


**ABSENT:** Edge

**ABSTAIN:** None

**ATTESTED:**



Shawna Freels, City Clerk



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Leslie Q. Jordan, Mayor