

June 23, 2015

RESOLUTION NO. 15-2954

**RESOLUTION OF THE MAYOR AND COUNCIL OF LAKE
HAVASU CITY, ARIZONA, DECLARING ITS OFFICIAL
INTENT TO REIMBURSE EXPENDITURES MADE PRIOR
TO THE DATE OF ISSUANCE FROM PROCEEDS OF
BONDS OR OTHER OBLIGATIONS ISSUED BY OR ON
BEHALF OF LAKE HAVASU CITY FOR THE EXPANSION
AND IMPROVEMENT OF THE CITY'S WASTEWATER
SYSTEM**

WHEREAS, Treasury Regulations Section 1.150-2 (the "*Reimbursement Regulation*") sets forth the rules for determining when proceeds of bonds or other obligations are deemed spent for purposes of applying Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, including the arbitrage yield restrictions and rebate requirements promulgated pursuant to Section 148, if the proceeds are used to reimburse expenditures made prior to the date of issue of the bonds or other obligations; and

WHEREAS, the Reimbursement Regulation requires that a declaration of official intent to reimburse the expenditures ("*Declaration of Official Intent*") be made not later than sixty (60) days after payment of an original expenditure, and that an allocation in writing evidencing use of proceeds of a reimbursement bond to reimburse an original expenditure be made within eighteen (18) months after the later of the date the original expenditure is paid or the date the project is placed in service or abandoned, but in no event later than three (3) years after the original expenditure is paid; and

WHEREAS, the Mayor and Council of Lake Havasu City (the "*City*") wish to take such action as is necessary or permitted to comply with the Reimbursement Regulation;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF LAKE HAVASU CITY AS FOLLOWS:

1. This is a Declaration of Official Intent within the meaning of the Reimbursement Regulation.
2. The City intends and reasonably expects that the original expenditures made by the City more fully described in paragraph 3 will be reimbursed with proceeds of bonds, certificates of participation or other obligations (the "*Obligations*"), in any case to be issued by or for the benefit of the City in the maximum principal amount of \$1,400,000 for the capital expenditures described in paragraph 3.

3. The original capital expenditures to be reimbursed and referred to in paragraph 2 are for design, acquisition, construction and equipping related to the City's wastewater system, including an expansion to the basin and suction line of the City's Mulberry Wastewater Treatment Plant reuse pump station, located at 340 Mulberry Avenue (the "Project").

4. The City Manager and acting Finance Director of the City are each hereby authorized and directed to take any additional actions necessary to comply with the requirements of the Reimbursement Regulation so that proceeds of Obligations used to reimburse expenditures which are the subject of this Declaration of Official Intent will be deemed spent, including making an allocation in writing evidencing the City's use of proceeds of Obligations to reimburse an original expenditure within eighteen (18) months after the later of the date the original expenditure is paid or the date the Project is placed in service, but in no event later than three (3) years after the original expenditure is paid.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of Lake Havasu City, Arizona, on June 23, 2015.

Mark S. Nexsen, Mayor

ATTEST:

Kelly Williams, City Clerk

REVIEWED BY:

Charlie Cassens, City Manager

APPROVED AS TO FORM:

Kelly Garry, City Attorney

Michele Bax, Special Counsel