

August 9, 2016

RESOLUTION NO. 16- 3080

**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**

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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 \$22,000,000 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, equipping and/or improvements related to the City’s (i) water delivery and wastewater collection and treatment systems, (ii) parks and

recreational facilities, (iii) streets, roads and highways, (iv) airport and (v) other general acquisitions and improvements to the City's facilities, all of which are further described in Exhibit A hereto (collectively, the "*Project*").

4. The City Manager and Administrative Services 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 August 9, 2016.

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Mark S. Nexsen, Mayor

ATTEST:

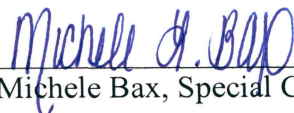
\_\_\_\_\_  
Kelly Williams, City Clerk

REVIEWED BY:

\_\_\_\_\_  
Charlie Cassens, City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Kelly Garry, City Attorney

  
\_\_\_\_\_  
Michele Bax, Special Counsel

**August 9, 2016**

**EXHIBIT A**

**PROJECTS**

1. Airport Improvement Projects – Provide for City match to improvements funded by grants from Arizona Department of Transportation (ADOT) and the Federal Aviation Administration (FAA) to the Municipal Airport. Improvement projects include the electric vault, obstruction lights, construction of fire hydrant, construction of runway edge lips, replacement of the runway 32 PAPI and design and construction of the foreign object debris erosion control project, north of the airport. Estimated total project costs \$1,422,500.
2. Kings View Seawall Repair – Replacement and repair of failing seawall along the east side of the Bridgewater Channel. Estimated total project cost \$278,000.
3. Mesquite Park and Parking Lot Restroom – Construction of a restroom facility to service the recently constructed park and splash pad fountain. Estimated total project cost \$185,000.
4. Aquatics Center Rehabilitation – Update, replace systems and rehabilitate the 20-year old Aquatics Community Center. Estimated total project cost \$2,578,000.
5. Sports Playing Fields Improvement and Expansion – Expand and improve the City's existing sports playing fields. The project includes acquisition and construction of new fields in addition to improvement at existing fields throughout the City. Estimated total project cost \$14,000,000.
6. Havasu 280 Ecological Environmental Center – Planning and construction of a multi-agency shared educational facility. Estimated total project cost \$3,125,000.
7. Bicycle/Pedestrian Path Construction - Construction of an additional mile of the City's existing urban bicycle/pedestrian path. Estimated total project cost \$75,000.
8. Havasu 280 Infrastructure Construction – Construction of water and wastewater utilities and other infrastructure such as roadways and grading to service the 280 acre development which will include a boat launch facility, trails, environmental center, botanical gardens and private housing development. Estimated total project cost \$4,696,550.
9. Drainage and Wash Stabilization Program – Design and construction of improvements to the City's drainage system. Estimated total project cost \$12,758,000.
10. ERP Software System – Purchase and implementation of a replacement of the City's 15-year old Enterprise Resource Planning (ERP) software system. Estimated total project cost \$1,000,000.
11. Arc Flash Study and Implementation – Project to bring the City into compliance with the National Fire Protection Association (NFPA 70E) or the NEC regarding identification and labelling of possible hazards when working on City owned and maintained electrical cabinets. Estimated total project cost \$600,000.

12. Rotary Park Restroom Improvements - Rehabilitation and upgrades to the three existing restroom facilities located in Rotary Park. Estimated total project cost \$620,000.
13. Pickle Ball Courts – Construction of Pickle ball courts and amenities. Estimated total project cost \$155,000.
14. London Bridge Beach Restroom Improvements – Rehabilitation and construction of new restroom facilities at London Bridge Beach to accommodate peak demand during heavy holiday and weekend use. Estimated total project cost \$230,000.
15. SARA Park Trailhead Improvements – Construction of restrooms, installation of water/drinking fountains and improvements to the existing parking lot at the popular SARA Park trailhead. Estimated total project cost \$435,000.
16. McCulloch Boulevard Reconstruction – Reconstruction to the portion of McCulloch Boulevard from Smoketree to Acoma Avenue. Project includes recommended improvements from the PARA study and ADA improvements. Estimated total project cost \$2,000,000.
17. Havasu 280 Intersection – Improve the intersection on State Route 95 and the proposed roadway to the Havasu 280 project. Estimated total project cost \$450,000.
18. London Bridge Rehabilitation and Improvements. Various improvements to the City's historic London Bridge landmark. Estimated total project cost \$215,000.
19. Wayfinding Program – The City's Wayfinding sign program provides visitors better access and direction to the City's landmarks, services and community assets. Estimated total project cost \$507,000.
20. PARA Study and Program Implementation – Development of an enhanced downtown corridor, to include increased pedestrian infrastructure and access to and acquisition of public spaces and parks. Estimated total project cost \$750,000.
21. Lake Havasu Avenue Reconstruction – Reconstruction to the portion of Lake Havasu Avenue from Mesquite Avenue to Swanson Avenue. Estimated total project cost \$3,290,000.
22. Mulberry Effluent Basin Expansion – Expansion of the effluent basin at the Mulberry Wastewater Treatment Plant. Estimated total project cost \$1,932,000.
23. Water Conservation Implementation – Evaluate, design and install irrigation system conversion from domestic water to effluent reuse in City parks, on school campuses, and for SR 95 irrigation within the City limits. Estimated total project cost \$1,835,000.
24. SCADA Reclaimed System – Implementation of SCADA system to monitor and automate operations of the reclaimed/reuse water system. Estimated total project cost \$850,000.
25. Vehicle Purchase Program – Replacement and purchase of new vehicles and equipment for the City's fleet. Estimated FY 2017 cost \$1,250,000.
26. Fire Protection Equipment – Replacement and purchase of fire protection equipment. Estimated FY 2017 cost \$388,000.
27. Wastewater Fund Equipment Program – Replacement and repair of wastewater equipment pursuant to the asset management schedule. Estimated FY 2017 cost \$900,000.