



# City of Needles, California Request for Council Action

CITY COUNCIL       NPUA       BOARD OF PUBLIC UTILITIES  
 Regular       Special

**Meeting Date:** February 25, 2020

**Title:** Resolution No. 02-25-2020 Tax Exempt Reimbursement

**Background:** In reference to the water main rupture(s) that occurred January 14-15, 2020 staff have begun developing a financial plan to make necessary water system improvements.

Enclosed is a form of reimbursement resolution. This resolution allows for money that has/will be spent repairing the water main rupture(s) to be reimbursed from a tax exempt bond.

This resolution does not mandate that bond be issued, and it is not an approval to issue bonds. However, this allows the Needles Public Utility Authority to be reimbursed from tax exempt money.

The Board of Public Utilities approved Resolution No. 02-18-20 BPU on 2/18/20 authorizing the NPUA to be reimbursed from tax exempt bonds.

**Fiscal Impact:** A financial impact of \$300,000 is incurred to date for the water damages that occurred January 14 – 15, 2020. There will be additional costs to install the permanent repairs. It is currently being funded from asset replacement funds.

**Recommended Action:** *Move to* approve Resolution No. 02-25-2020-NPUA authorizing the NPUA to be reimbursed from tax exempt bonds

**Submitted By:** Rainie Torrance, Senior Accountant

**City Management Review:** Rick

**Date:** 2/13/20

Approved: <input type="checkbox"/>	Not Approved: <input type="checkbox"/>	Tabled: <input type="checkbox"/>	Other: <input type="checkbox"/>
			Agenda Item: <u>3</u>

**RESOLUTION NO. 02-25-2020-NPUA**

**A RESOLUTION OF THE NEEDLES PUBLIC UTILITY AUTHORITY OF THE CITY OF NEEDLES DECLARING ITS INTENT TO ISSUE TAX-EXEMPT BONDS TO BE USED TO REIMBURSE THE NEEDLES PUBLIC UTILITY AUTHORITY FOR EXPENDITURES PRIOR TO THE ISSUANCE OF SUCH BONDS**

**WHEREAS**, the Needles Public Utility Authority (the "Authority") desires and intends to finance the construction and acquisition of certain water transmission and storage facilities for its municipal purposes (the "Project"); and

**WHEREAS**, the Authority expects to cause the execution, delivery and sale of tax exempt obligations such as bonds, in one or more series, for the purpose of providing financing for a portion of the Project in a principal amount of approximately \$1,000,000 (the "Obligations"); and

**WHEREAS**, the Authority expects to incur certain expenditures relating to the Project and to pay for such expenditures from the Authority's moneys on hand prior to the execution of the Obligations (the "Reimbursement Expenditures"); and

**WHEREAS**, the Authority reasonably expects to use a portion of the proceeds of the Obligations to reimburse the Authority for expenditures made prior to the date the Obligations are entered into;

**NOW, THEREFORE, BE IT RESOLVED** that the NEEDLES PUBLIC UTILITY AUTHORITY of the City of Needles as follows:

**SECTION 1. Declaration of Official Intent.** The Authority hereby declares its official intent, subject to the further approval of this Council, to use up to \$1,000,000 of the proceeds of the Obligations to reimburse itself for the Reimbursement Expenditures. It is intended that this Resolution shall constitute a declaration of "official intent" within the meaning of Section 1.150-2 of the Treasury Regulations promulgated under Section 150 of the Internal Revenue Code of 1986, as amended.

**SECTION 2. Other Approvals.** The adoption of this Resolution shall not bind the Authority to proceed with execution and delivery of the Obligations until and unless all other necessary actions and approvals are taken or received in accordance with all applicable laws.

**SECTION 3. Effective Date.** This Resolution shall take effect upon adoption.

**PASSED, APPROVED and ADOPTED** this \_\_\_ day of \_\_\_\_\_, 2020 by the following roll call vote:

AYES:  
NAYS:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Mayor

**Attest:**

\_\_\_\_\_  
City Clerk

**(Seal)**

Approved as to form:

\_\_\_\_\_  
City Attorney