



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 10/25/05
AGENDA ITEM 5
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Director of Public Works
SUBJECT: Water Pollution Control Facility Improvement Project Phase I: Reimbursement of Project Costs from the State Water Resources Control Board Revolving Fund Loan

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution authorizing the reimbursement of funds expended for the Water Pollution Control Facility (WPCF) Phase I Improvement Project from the State Water Resources Control Board (SWRCB) Revolving Fund Loan.

DISCUSSION:

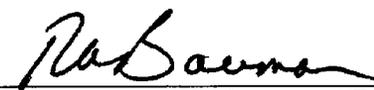
As the City Council is aware, the staff has been pursuing a State Revolving Fund loan to finance the WPCF Improvement Project. The SWRCB is expected to approve the loan agreement shortly. State staff has brought to our attention that, since the loan will be funded in part by the sale of State bonds, loan recipients must adopt a so-called reimbursement resolution. This resolution formally states the City's intention to finance the WPCF project with financial assistance from the SWRCB, including costs that have been incurred prior to approval of the loan for services such as engineering and design. The attached resolution has been prepared to comply with this requirement.

Prepared by:



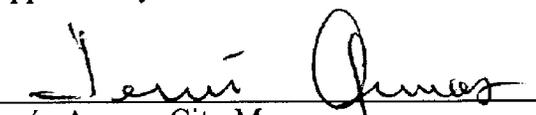
Alex Ameri, Deputy Director of Public Works

Recommended by:



Robert Bauman, Director of Public Works

Approved by:



Jesús Armas, City Manager

DRAFT

NH
10/18/05

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION AUTHORIZING THE REIMBURSEMENT OF FUNDS EXPENDED FOR THE WATER POLLUTION CONTROL FACILITY (WPCF) PHASE I IMPROVEMENT PROJECT FROM THE STATE WATER RESOURCES CONTROL BOARD (SWRCB) REVOLVING FUND LOAN

WHEREAS, the City of Hayward desires to finance the costs of constructing the Water Pollution Control Facility Phase I Improvement Project ("Project") with monies provided by the State of California, acting by and through the State Water Resources Control Board (the "Water Board"); and

WHEREAS, the Water Board may fund the Project with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes; and

WHEREAS, prior to the sale of obligations and prior to approval of the Project funding by the Water Board, the City has incurred and desires to further incur certain capital expenditures with respect to the Project; and

WHEREAS, the City has determined that it is necessary to reimburse the City for such expenditures to be reimbursed from the proceeds of the State monies;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City hereby states its intention and reasonably expects to reimburse expenditures paid prior to the sale of obligations and approval of the Project funding by the Water Board.

BE IT FURTHER RESOLVED that the reasonably expected principal amount of the Project funding is expected to be \$54,248,000.

BE IT FURTHER RESOLVED that this resolution is being adopted no later than 60 days after the date on which the Agency will expend monies for the portion of the Project construction costs to be reimbursed with Project funds.

BE IT FURTHER RESOLVED that each expenditure by the City will be of a type properly chargeable to a capital account under general federal income tax principles.

BE IT FURTHER RESOLVED that 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 has not been issued.

BE IT FURTHER RESOLVED that this resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualifications for reimbursement of Project costs.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2005

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward