

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE SEEKING REIMBURSEMENT FOR
COSTS RELATED TO THE WATER POLLUTION
CONTROL PLANT REHABILITATION PROJECT –
SECONDARY TREATMENT AND DEWATERING
FACILITIES PROJECT FROM THE STATE WATER
RESOURCES CONTROL BOARD**

WHEREAS, the City of Sunnyvale ("City") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines, and other infrastructure at the Donald M. Somers Water Pollution Control Plant ("WPCP") consisting of the Secondary Treatment and Dewatering Facilities Project (the "Project"); and

WHEREAS, the City intends to finance the construction and/or reconstruction of the Water Pollution Control Plant with monies ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board ("State Water Board"); and

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

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds, the City desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available monies of the City; and

WHEREAS, the City has determined that those monies to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the City for the Expenditures from the proceeds of the Obligations; and

WHEREAS, on December 18, 2018, the City Council adopted Resolution No. 916-18 which sought reimbursement for costs related to the Project and the reasonably expected maximum principal amount of the Project Funds was \$216,000,000; and

WHEREAS, the City subsequently requested an additional increase in the Project Funds to a new reasonably expected maximum principal amount of \$322,080,000 which was granted by the State Water Board pursuant to an updated reimbursement resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

2. The reasonably expected maximum principal amount of the Project Funds is \$322,080,000.

3. This resolution is being adopted no later than 60 days after the date on which the City will expend monies for the construction portion of the Project costs to be reimbursed with Project Funds.

4. Each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

5. To the best of the City's knowledge, 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 have not been issued.

6. This resolution is adopted as official intent of the City in order to comply with Treasury Regulation section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

7. All the recitals in this Resolution are true and correct and this City so finds, determines, and represents.

Adopted by the City Council of the City of Sunnyvale at a regular meeting held on May 21, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:
RECUSAL:

ATTEST:

APPROVED:

DAVID CARNAHAN
City Clerk
(SEAL)

LARRY KLEIN
Mayor

APPROVED AS TO FORM:

REBECCA L. MOON
Interim City Attorney

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the City of Sunnyvale City Council held on _____.

ATTEST:

DAVID CARNAHAN
City Clerk
(SEAL)