

RESOLUTION NO. 2025-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AUTHORIZING THE FILING OF A LOAN/GRANT
APPLICATION WITH THE STATE WATER
RESOURCES CONTROL BOARD FOR THE
UPGRADE OF THE WASTEWATER
TREATMENT FACILITIES, PIPELINES AND
OTHER INFRASTRUCTURE, STATING ITS
INTENTION TO REIMBURSE EXPENDITURES
PAID PRIOR TO THE ISSUANCE OF THE
OBLIGATION, AND DESIGNATING THE CITY
MANAGER AS THE AUTHORIZED
REPRESENTATIVE TO EXECUTE NECESSARY
DOCUMENTS**

WHEREAS, the City of Merced (the “City”) desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its wastewater system, including certain treatment facilities, pipelines, and other infrastructure (the “Project”); and,

WHEREAS, the City intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys (“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 moneys of the City; and

WHEREAS, the City has determined that those moneys 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.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That the City Council hereby states its intentions and reasonably expects to reimburse the City for Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. That the reasonably expected maximum principal amount of the Project Funds is \$61,855,000.

SECTION 3. That this resolution is being adopted no later than 6 months after the date on which the City will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. That each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principals.

SECTION 5. That to the best of our 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.

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

SECTION 7. That the City Manager (the "Authorized Representative") is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financial agreement from the State Water Resources Control Board for the planning, design and construction of Merced WWTF Phase VI Improvement Project (the "Project").

SECTION 8. That this Authorized Representative is designated to provide the assurances, certification, and commitments required for the financial assistance

application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

SECTION 9. That the Authorized Representative is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

SECTION 10. That all recitals in this Resolution are true and correct and this City so finds, determines, and represents.

That all recitals in this Resolution are true and correct and this City so finds, determines, and represents.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 20__, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:
MATTHEW SERRATTO, MAYOR

Mayor

ATTEST:
D. SCOTT MCBRIDE, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:
CRAIG J. CORNWELL, CITY ATTORNEY

Craig Cornwell 12/30/2024
City Attorney Date