

RESOLUTION NO. R-2020-_____

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BAY CITY, TEXAS
EXPRESSING INTENT TO FINANCE EXPENDITURES TO BE INCURRED; AND
APPROVING OTHER MATTERS INCIDENTAL THERETO

THE STATE OF TEXAS §
COUNTY OF MATAGORDA §
CITY OF BAY CITY §

WHEREAS, the City of Bay City, Texas (the “City”) is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations; and

WHEREAS, the City desires to authorize preparations for the issuance of one or more series of obligations for authorized public purposes; and

WHEREAS, the City will make, or has made, not more than 60 days prior to the date hereof, payments with respect to the projects listed on **Exhibit A** attached hereto (the “Financed Projects”); and

WHEREAS, in certain circumstances, federal and/or state law requires that the City express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligations; and

WHEREAS, the City desires to reimburse itself for the costs associated with the Financed Projects from the proceeds of tax notes or other obligations to be issued subsequent to the date hereof; and

WHEREAS, Section 1.150-2(d)(2) of the Treasury Regulations sets forth limitations regarding the timing of reimbursements made from the proceeds of certain tax-exempt obligations;

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

Section 1. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes and as findings of fact.

Section 2. The City reasonably expects to reimburse itself for costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the Financed Projects from the proceeds of certificates of obligation or other obligations to be issued subsequent to the date hereof, including obligations issued in connection with the financial assistance programs of the Texas Water Development Board.

Section 4. The City reasonably expects that the maximum principal amount of obligations issued to reimburse the City for the costs associated with the Financed Projects will be \$56,730,000. Such obligations may be issued in one or more series.

Section 5. Unless otherwise advised by bond counsel, any reimbursement allocation will be made not later than 18 months after the later of (1) the date the original expenditure is paid or (2) the date on which the Financed Project to which the expenditure relates is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

[Execution Page to Follow]

PASSED AND APPROVED this 23rd day of June, 2020.

The Honorable Robert K. Nelson, Mayor,
City of Bay City, Texas

ATTEST:

Jeanna Thompson, City Secretary
City of Bay City, Texas

[SEAL]

EXHIBIT A

DESCRIPTION OF THE FINANCED PROJECTS

<u>Purpose/Project</u>	<u>Amount</u>
Improvements to and the equipment of the City's sanitary sewer system, including (i) the design, construction, rehabilitation, replacement, and equipment of the City's wastewater treatment plant and lift stations, and (ii) the design, construction, rehabilitation and equipment of sewer lines.	\$36,400,000
Improvements to and the equipment of the City's water system, including (i) the design, construction, and equipment of two water plants, including water wells, ground storage tanks, hydropneumatic tanks, booster pump stations, disinfection equipment, and related infrastructure and equipment, (ii) the design, construction, and equipment of water transmission lines, (ii) design, construction, rehabilitation, replacement, and equipment of water lines and other water infrastructure, (iv) meter replacements, and (v) design, construction, rehabilitation, replacement, and equipment of existing water treatment plants and related infrastructure.	\$20,330,000