

RESOLUTION NO. 03-27-24-01

**DECLARING THE OFFICIAL INTENT OF
THE GRAND RAPIDS PUBLIC UTILITY COMMISSION
TO REIMBURSE CERTAIN EXPENDITURES FROM THE
PROCEEDS OF BONDS TO BE ISSUED BY THE CITY
OF GRAND RAPIDS**

WHEREAS, the Internal Revenue Service has issued Treas. Reg. § 1.150-2 (the “Reimbursement Regulations”) providing that proceeds of tax-exempt obligations used to reimburse prior expenditures will not be deemed spent unless certain requirements are met; and

WHEREAS, the Grand Rapids Public Utilities Commission (the “GRPUC”), which is the municipal utility of the City of Grand Rapids, Minnesota (the “City”) and the City expect to incur certain expenditures that may be financed temporarily from sources other than tax-exempt obligations, and reimbursed from the proceeds of a tax-exempt obligation; and

WHEREAS, the GRPUC has determined to make this declaration of official intent (the “Declaration”) to reimburse certain costs from proceeds of tax-exempt obligations in accordance with the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE GRAND RAPIDS PUBLIC UTILITIES COMMISSION:

1. The GRPUC and the City propose to undertake the acquisition and installation of new computer software including but not limited to an enterprise resource planning system and utility billing software (the “Project”).

2. The GRPUC reasonably expects to reimburse itself for the expenditures made for certain costs of the Project from the proceeds of tax-exempt obligations to be issued by the City in an estimated maximum principal amount of \$875,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the tax-exempt obligations, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

3. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of tax-exempt obligations, except for the following expenditures: (a) costs of issuance of tax-exempt obligations; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the issue or issues that finance or are reasonably expected by the City to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, tax-exempt obligation issuance, and similar costs that are incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

4. This Declaration is an expression of the reasonable expectations of the GRPUC based on the facts and circumstances known to the GRPUC as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the tax-exempt obligations described in paragraph 2 are consistent with the GRPUC’s budgetary and financial circumstances. No sources other than proceeds of tax-exempt obligations to be issued by the City are, or are reasonably expected to be, reserved, allocated

on a long-term basis, or otherwise set aside pursuant to the GRPUC's budget or financial policies to pay such Project expenditures incurred by GRPUC.

5. This Declaration is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

Approved this March 27, 2024 by the Grand Rapids Public Utility Commission.

President

Witness:

Secretary