

**GRAND RAPIDS PUBLIC UTILITIES COMMISSION
RESOLUTION NO. 07-12-23-06**

**DECLARING THE OFFICIAL INTENT OF GRAND RAPIDS PUBLIC UTILITIES
COMMISSION TO REIMBURSE
CERTAIN EXPENDITURES FROM THE PROCEEDS
OF BONDS TO BE ISSUED BY THE CITY OF GRAND RAPIDS
WATER TREATMENT RENOVATION PROJECT**

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

WHEREAS, the Grand Rapids Public Utilities Commission (GRPUC) expects to incur certain expenditures that may be financed temporarily from sources other than bonds, and reimbursed from the proceeds of a tax-exempt bond;

WHEREAS, the Grand Rapids Public Utilities Commission has determined to make this declaration of official intent (“Declaration”) to reimburse certain costs from proceeds of bonds in accordance with the Reimbursement Regulations.

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

1. The GRPUC proposes to undertake the following project in the City starting in 2023 (the “Project”): **Water Treatment Renovation project.**
2. The GRPUC reasonably expects to reimburse the expenditures made for certain costs of the Project from the proceeds of bonds in an estimated maximum principal amount of \$6,500,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the bonds, 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 60 days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of bonds, except for the following expenditures: (a) costs of issuance of bonds; (b) costs in an amount not in excess of \$100,000 or 5 percent of the proceeds of an issue; or (c) “preliminary expenditures” up to an amount not in excess of 20 percent of the aggregate issue price of the issue or issues that finance or are reasonably expected by the GRPUC to finance the project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond 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 bonds described in paragraph 2 are consistent with the GRPUC's budgetary and financial circumstances. No sources other than proceeds of bonds to be issued by the GRPUC 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.

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

6. The GRPUC requests the City Council of the City of Grand Rapids to issue general obligation bonds to finance costs related to the above project.

Approved by the Grand Rapids Public Utilities Commission 12th day of July 2023.

GRAND RAPIDS, MINNESOTA

President

Attest:

Secretary