

RESOLUTION NO. 2019-05

A RESOLUTION RELATING TO REIMBURSEMENT OF APPROPRIATE COSTS IN THE FINANCING A PORTION OF THE COST OF IMPROVEMENTS TO THE TOWN'S STORM WATER INFRASTRUCTURE

WHEREAS, the Internal Revenue Service has issued Section 1.150-2 of the Treasury Regulation (the "Regulations") dealing with the issuance of owner or issuer tax-exempt bonds, all or a portion of the proceeds of which are to be used to reimburse the owner or issuer for project expenditures made by the owner or issuer prior to the date of issuance of such bonds; and,

WHEREAS, the Regulations generally require that the owner or issuer make a declaration (no later than 60 days after payment of the original expenditures) of its official intent to reimburse itself for such expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the original expenditure or the date the project is placed in service, and that the expenditure be a capital expenditure or cost of issuance; and

WHEREAS, the Town Council (the "Council") as an owner desires to comply with requirements of the Regulations with respect to a portion of the Town's capital cost to pay for design, acquisition, construction and financing of storm drains, inlets, grates and infiltration structures with grading and fills in various areas of the Town (the "Project"); and

NOW, THEREFORE BE IT RESOLVED, by the Town Council that other than (i) expenditures to be paid or reimbursed from sources other than the anticipated tax-exempt financing; (ii) expenditures constituting preliminary expenditures as defined in Section 1.150-2(f)(2) of the Regulations, or (iii) expenditures for the Project in a "de minimus amount" (as defined in Section 1.150-2(f)(i) of the Regulations) or made by the owner or issuer within the 60 days prior to this Resolution will be reimbursed by the owner or issuer unless from the water bond proceeds described below; and,

BE IT FURTHER RESOLVED, the Town anticipates the issuance of up to \$600,000 of tax-exempt storm water special improvement district bonds to finance the Project pursuant to Title 7, Chapter 12, Parts 41 and 42, M.C.A. The Town expects to reimburse some expenditures made for the Project from the proceeds of such bonds. All reimbursed expenditures shall be expenditures authorized to be reimbursed by Section 1.150-2; and

BE IT FINALLY RESOLVED, that:

The Town Clerk shall be responsible for making "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of the bond proceeds to reimburse the source of the original expenditure. Each allocation shall be evidenced by an entry on the official books and records of the Town maintained for the Bonds, shall specifically identify the actual prior expenditure being reimbursed or, in the case of reimbursement of a fund

or account, the fund or account from which the expenditure was paid, and shall be effective to relieve the proceeds of the bonds from any restriction under the bond resolution or other relevant legal documents for the bonds, and under any applicable state statute, which would apply to the unspent proceeds of the bonds.

DATED this ___ day of _____, 2019.

TOWN OF TWIN BRIDGES

Mayor

ATTEST:

Town Clerk