



# Charles Town Utility Board

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## UTILITY BOARD

CHAIRMAN  
*Daryl  
Hennessy*

VICE  
CHAIRMAN  
*Pete  
Kubic*

SECRETARY  
TREASURER  
*Kevin  
Teater*

*City of Ramona Mayor*  
*Dale  
Pierson*

*Jacquelyn  
Milliron*

UTILITY  
MANAGER  
*Jane E.  
Arnett*

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### RESOLUTION NO. 2020-03 RESOLUTION OF THE CHARLES TOWN UTILITY BOARD PETITION TO THE CITY COUNCIL OF THE CITY OF CHARLES TOWN IN SUPPORT OF ADOPTION OF A REIMBURSEMENT RESOLUTION

#### PETITION OF THE UTILITY BOARD

The Utility Board of the City of Charles Town (the "City") hereby petitions the Council of the City of Charles Town to enact a Resolution stating the reasonable expectation of the City of Charles Town to reimburse the Charles Town Utility Board for preliminary costs and certain capital expenditures in connection with the engineering and construction of wastewater treatment facilities and improvements made prior to the issuance of revenue bonds related to the Renewal and Replacement Project.

Directed this 11<sup>th</sup> day of March, 2020.

CHARLES TOWN UTILITY BOARD

  
Chairman Daryl Hennessy

Attest:



Dated: March 11, 2020

**RESOLUTION STATING THE REASONABLE EXPECTATION OF THE CITY OF CHARLES TOWN TO REIMBURSE THE CHARLES TOWN UTILITY BOARD FOR CAPITAL EXPENDITURES IN CONNECTION WITH THE DESIGN, ACQUISITION, CONSTRUCTION AND EQUIPPING OF ADDITIONS, BETTERMENTS AND IMPROVMENTS TO THE WASTEWATER SYSTEM MADE PRIOR TO THE ISSUANCE OF TAX-EXEMPT REVENUE BONDS**

**WHEREAS**, the Charles Town Utility Board (the "Board") has determined to design, acquire, construct and equip certain additions, betterments and improvements to the existing wastewater collection and treatment system (the "System"), collectively the Renewal and Replacement Project (the "Project") and the cost thereof estimated not to exceed \$4,500,000;

**WHEREAS**, the Board intends to petition the City to finance all or a portion of the costs of design, acquisition and construction of the Project through the issuance of tax-exempt revenue bonds, in one or more series, in an aggregate amount not to exceed \$4,500,000 (the "Bonds");

**WHEREAS**, the Board expects that it will make certain expenditures for preliminary costs related to the Project, such as engineering design and certain capital expenditures related to the Project prior to the issuance of the Bonds;

**WHEREAS**, such costs will be paid from the Board's Sewer Operating Account for the System (the "Operating Account"); and

**WHEREAS**, the City reasonably expects that the Board will reimburse such Operating Account for that portion of the costs of the Project expended prior to the issuance of the Bonds, as authorized by the Internal Revenue Service, from the proceeds of sale of the Bonds,

**NOW, THEREFORE BE IT RESOLVED BY THE CITY OF CHARLES TOWN, AS FOLLOWS:**

**Section 1.** The City of Charles Town reasonably expects that the City will reimburse the Board for certain expenditures for costs related to the Project, such as engineering design and certain capital expenditures incurred prior to the issuance of the Bonds. Such reimbursement shall be subject to the IRS rules that will only allow the City to reimburse the Board from the proceeds of tax-exempt bonds for capital expenditures incurred (expended) not more than 60 days prior to the date of adoption of this Resolution (and after the date of such adoption, but prior to the issuance of the Bonds), with two exceptions:

1. A de minimus amount (a percentage of the bond issue, but not more than \$100K); and
2. "preliminary costs" related to the project, such as engineering design, geo technical testing, etc.

And, in connection with the Project and as provided in this Resolution, such capital expenditures, not to exceed \$1,000,000, to be undertaken or incurred prior to the

execution and delivery of the Bonds, from the proceeds of such Bonds, which are reasonably expected to be executed and delivered within 18 months from the later of (i) the expenditure for payment of said costs or (ii) the placing of the Project in service.

Section 2. This Resolution is intended to constitute a "declaration of official intent" pursuant to Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended (the "Reimbursement Regulations").

Section 3. The source of payment for such capital expenditures will be the Operating Account, and upon issuance of the Bonds, proceeds thereof not to exceed the amount of such capital expenditures will be applied to reimbursement of such Operating Account, such allocation to be made as required by the IRS and not to exceed \$1,000,000.

Section 4. The maximum principal amount of Bonds to be issued for the Project is \$4,500,000.

Section 5. This Resolution shall become effective on the date of its adoption.

Adopted this March 16, 2020

CITY OF CHARLES TOWN

By:   
Its: Mayor

CERTIFICATION

I, Daryl Heinessy, the duly appointed Recorder of the City of Charles Town, do hereby certify that the foregoing is a true and accurate copy of a Reimbursement Resolution adopted by the City of Charles Town at a regular meeting held March 16, 2020, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this March 16, 2020.

[SEAL]

Daryl Heinessy  
Recorder