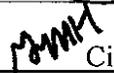
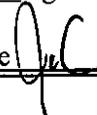




Meeting Date: 05/12/2009

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input checked="" type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Sabrina Rodriguez  Agenda Item No. I-8
 Reviewed By: City Manager  City Attorney  Finance  Other (Specify) _____

DATE: May 4, 2009

TO: City Council

FROM: James Cameron, Chief Financial Officer
Finance Department



SUBJECT: Reimbursement Resolution for Capital Expenditures Related to the GREAT Program – Phase I

RECOMMENDATION

That City Council adopt a resolution declaring its intent to reimburse the City of Oxnard for capital expenditures related to the resolution of intent projects and the Groundwater Recovery Enhancement And Treatment (GREAT) Program – Phase I from proceeds of taxable or tax-exempt indebtedness.

DISCUSSION

The project (“Project”) to be financed through the proposed issuance of bonds includes the following:

- Construction of an Advanced Water Purification Facility (AWPF) to produce recycled water. Recycled water from the AWPF will be used for Title 22 industrial processes and landscape irrigation within the City of Oxnard.
- Construction of the Recycled Water Backbone (RWB) pipeline to transport recycled water for Municipal and Industrial (M & I) uses within the City of Oxnard.

The AWPF and the RWB are scheduled for simultaneous construction. Staff anticipates AWPF construction to start in late summer of 2009, with a completion date of March 2012. RWB construction will start in March 2010 and construction completed by July 2011.

The estimated capital cost to be funded though a bond issuance for the construction and related costs of the AWPF and RWB is approximately \$100 million. Design and other pre-construction costs of the recycled water facilities were funded through prior bond sales. While the City is seeking American Recovery and Reconstruction Act and other grants, these would be on a reimbursement basis and the \$100 million capital costs would include the initial outlay. In addition, bonds will be reimbursed from connection charges of approximately \$10 million.

Staff expects to request the issuance of a 30-year water revenue bond (inclusive of all costs of issuance, capitalized interest, and a reserve fund) in a principal amount not to exceed \$130 million to finance the acquisition and construction of capital expenditures related to the Project.

The attached resolution (Attachment No. 1) declares the City's intent to issue debt to finance the construction of the Project. The resolution authorizes the City to reimburse itself for capital expenditures of the Project from the proceeds of the future bond issuance. All capital expenditures incurred sixty (60) days prior to the date of the adoption of the resolution are reimbursable expenditures to the City.

FINANCIAL IMPACT

There is no financial impact related to the adoption of the attached resolution. Staff will present to City Council the proposal to issue water revenue bonds at a later date. Upon the issuance of bonds, the Water Enterprise Fund will be reimbursed from bond proceeds for project costs incurred prior to the issuance of bonds.

SR

Attachment #1 - Reimbursement Resolution

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY,
DECLARING ITS INTENT TO REIMBURSE THE CITY FOR
CAPITAL EXPENDITURES RELATED TO THE
ACQUISITION, CONSTRUCTION, AND IMPROVEMENT OF
CERTAIN PROJECTS COMPRISING PORTIONS OF PHASE 1
OF THE GROUNDWATER RECOVERY ENHANCEMENT
AND TREATMENT PROGRAM FROM PROCEEDS OF
TAXABLE OR TAX-EXEMPT INDEBTEDNESS

WHEREAS, the City of Oxnard (the "City") is duly organized and existing pursuant to the Constitution and laws of the State of California; and

WHEREAS, the City Council of the City (the "City Council") is the governing body of the City; and

WHEREAS, the City Council has determined that it is in the best interest of the City to make certain capital expenditures on the Project, as defined in this Resolution; and

WHEREAS, the City Council currently intends and reasonably expects to participate in a taxable or tax-exempt borrowing within eighteen (18) months of the date of such capital expenditures or the placing in service of the Project, whichever is later (but in no event more than three (3) years after the date of the original expenditure of such moneys), the proceeds of such borrowing to be used to finance such capital expenditures, including an aggregate amount not to exceed \$100,000,000 for reimbursing the City for the portion of such capital expenditures incurred or to be incurred subsequent to the date which is sixty (60) days prior to the date hereof but before such borrowing; and

WHEREAS, the City Council hereby desires to declare its official intent, pursuant to 26 C.F.R. Section 1.150-2, to reimburse the City for such capital expenditures with the proceeds of the City's future taxable or tax-exempt borrowing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OXNARD HEREBY RESOLVES AS FOLLOWS:

SECTION 1. **Declaration of Official Intent.** The City Council presently intends and reasonably expects to finance the construction, acquisition, and improvement of certain projects comprising portions of Phase 1 of the Groundwater Recovery Enhancement And Treatment Program, which projects are generally described as the design and construction of an advanced water purification facility to produce recycled water and a recycled water backbone pipeline to transport recycled water for municipal and industrial uses within the City, inclusive of appurtenances and appurtenant work (collectively, the "Project"), with moneys currently contained in the City's General Fund or other fund legally available to the City therefor.

ATTACHMENT NO. 1
PAGE 1 OF 2

SECTION 2. *Dates of Capital Expenditures.* All of the capital expenditures covered by this Resolution were made not earlier than sixty (60) days prior to the date of this Resolution.

SECTION 3. *Issuance of Debt Obligations.* The City Council presently intends and reasonably expects to participate in a taxable or tax-exempt borrowing (in a principal amount not to exceed \$130,000,000) within eighteen (18) months of the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service or abandoned, whichever is later (but in no event more than three (3) years after the date of the original expenditure of such moneys), and to allocate an amount not to exceed \$100,000,000 of the proceeds thereof to reimburse the City for its expenditures in connection with the Project.

APPROVED AND ADOPTED this 12th day of May, 2009, by the following vote:

AYES:

NOES:

ABSENT:

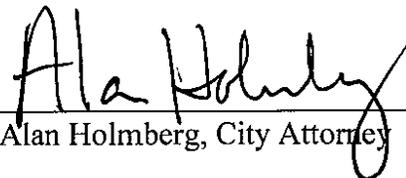
ABSTAIN:

Dr. Thomas E. Holden, Mayor

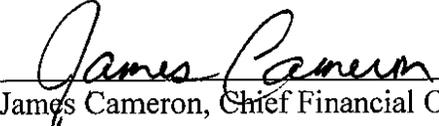
ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:


Alan Holmberg, City Attorney

APPROVED AS TO CONTENT:


James Cameron, Chief Financial Officer