

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO	CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY) n/a
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TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Public Utilities	DATE: 7/9/2015
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SUBJECT: Reimbursement Resolution for Water CIP Expenditures

PRIMARY CONTACT (NAME, PHONE): Seth Gates, 858-614-4030 MS 901A	SECONDARY CONTACT (NAME, PHONE): Jeanne Cole , 858-292-6313 MS 901A
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COMPLETE FOR ACCOUNTING PURPOSES

FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE):

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Financial Management	Comptroller	ORIG DEPT. Jones-Santos, Lee Ann	07/14/2015
Liaison Office		CFO	
Equal Opportunity Contracting		DEPUTY CHIEF Gomez, Paz	07/28/2015
Environmental Analysis		COO	
Debt Management		CITY ATTORNEY Palmucci, Ray	07/27/2015
		COUNCIL PRESIDENTS OFFICE	

PREPARATION OF: RESOLUTIONS ORDINANCE(S) AGREEMENT(S) DEED(S)

1. Declaring the City's intent to use proceeds of indebtedness to reimburse itself for eligible Water expenditures in accordance with section 1.150-2 of Treasury Regulations.

STAFF RECOMMENDATIONS:
Approve the requested Action.

SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)

COUNCIL DISTRICT(S):	All
COMMUNITY AREA(S):	All
ENVIRONMENTAL IMPACT:	This Activity is not subject to CEQA, pursuant to CEQA Guidelines sections 15060 (c)(3) and 15378 (b)(5), because this activity is an organizational or administrative activity of a government that will not result in direct or indirect physical changes in the environment.
CITY CLERK INSTRUCTIONS:	

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE: 7/9/2015

ORIGINATING DEPARTMENT: Public Utilities

SUBJECT: Reimbursement Resolution for Water CIP Expenditures

COUNCIL DISTRICT(S): All

CONTACT/PHONE NUMBER: Seth Gates/858-614-4030 MS 901A

DESCRIPTIVE SUMMARY OF ITEM:

The Reimbursement Resolution would provide funding for capital project expenditures prior to the point in time that future bond or other financing proceeds are available.

STAFF RECOMMENDATION:

Approve the requested Action.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The City of San Diego ("City") intends to acquire and construct, or cause to be acquired or constructed, certain improvements, additions, and/or rehabilitations to the City Water System (the "Project"). It is anticipated that certain capital expenditures related to the Project will be made on a cash basis prior to the issuance of debt. In order to reimburse capital expenditures with bond proceeds, the City must adopt a reimbursement resolution in accordance with section 1.150-2 of Treasury Regulations ("Regulations").

The City reasonably expects that the Project will require the issuance of debt obligations for the Water System, projected at approximately \$300 million for expenditures on or after 07/01/2015, and such amount is expected to be issued in Fiscal Years 2016, 2017, and/or 2018. Certain amounts of the proceeds of such debt obligations will be used to reimburse eligible Reimbursement Expenditures as explained above.

By adopting the resolutions the City will satisfy the Official Intent Requirement under the Regulations and be able to reimburse certain capital expenditures from proceeds of future Water System bond issuances. Adoption of these resolutions will not obligate the City to expend any funds or issue debt. The adoption of the resolutions merely enables the City to reimburse itself for all qualified expenditures from any bonds issued.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal # 2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective # 3: Invest in infrastructure

Goal #3: Create and sustain a resilient and economically prosperous City

Objective #2: Increase water independence

FISCAL CONSIDERATIONS: None

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

Contracts or agreements associated with this action are subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None

Jones-Santos, Lee Ann
Originating Department

Gomez, Paz
Deputy Chief/Chief Operating Officer

DOCKET SUPPORTING INFORMATION
CITY OF SAN DIEGO

DATE:

EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION

July 17, 2015

SUBJECT: Reimbursement Agreement Resolution for Water CIP Expenditures

GENERAL CONTRACT INFORMATION

Recommended Contractor: TBD
Amount of this Action: \$300,000,000 (Not to Exceed)
Funding Source: City of San Diego
Goal: TBD

SUBCONTRACTOR PARTICIPATION

There is no subcontractor participation associated with this action; however, subsequent actions must adhere to funding agency requirements.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Equal Opportunity: Required

Contracts or agreements associated with this action are subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

ADDITIONAL COMMENTS

This action authorizes the City's intent to use proceeds of indebtedness to reimburse itself for eligible Water expenditures.

MM

RESOLUTION NUMBER R-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE EXECUTION OF A
REIMBURSEMENT AGREEMENT FOR WATER CIP
EXPENDITURES.

WHEREAS, the City of San Diego (City) intends to acquire and construct, or cause to be acquired or constructed, certain improvements, additions, and/or rehabilitations to the City Water System (Project); and

WHEREAS, it is anticipated that certain capital expenditures related to the Project will be made on a cash basis prior to the issuance of debt and in order to reimburse capital expenditures with bond proceeds, thus the City must adopt a reimbursement resolution in accordance with section 1.150-2 of Treasury Regulations (Regulations); and

WHEREAS, the City reasonably expects that the Project will require the issuance of debt obligations for the Water System, projected at approximately \$300 million for expenditures on or after July 1, 2015, and such amount is expected to be issued in Fiscal Years 2016, 2017, and/or 2018, and certain of the proceeds of such debt obligations will be used to reimburse eligible Reimbursement Expenditures; and

WHEREAS, by adopting the resolutions the City will satisfy the Official Intent Requirement under the Regulations and be able to reimburse certain capital expenditures from proceeds of future Water System bond issuances, and adoption of these resolutions will not obligate the City to expend any funds or issue debt, but merely enables the City to reimburse itself for all qualified expenditures from any bonds issued; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. That the City declares its intent to use proceeds of indebtedness to reimburse itself for eligible Water expenditures in accordance with section 1.150-2 of Treasury Regulations.

APPROVED: JAN I. GOLDSMITH, City Attorney

By _____
 Raymond C. Palmucci
 Deputy City Attorney

RCP:mt
 7/27/2015
 Or.Dept:Public Utilities

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of _____.

City Clerk

By _____
 Deputy City Clerk

Approved: _____
 (date)

 KEVIN L. FAULCONER, Mayor

Vetoed: _____
 (date)

 KEVIN L. FAULCONER, Mayor