

**COUNCIL OF THE TOWN OF LA PLATA  
RESOLUTION 10-18**

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<b>Introduced By:</b>	<b>Mayor Roy G. Hale</b>
<b>Date Introduced:</b>	<b>October 26, 2010</b>
<b>Town Council Public Hearing:</b>	<b>[Not Required]</b>
<b>Amendments Adopted:</b>	
<b>Date Adopted:</b>	<b>October 26, 2010</b>
<b>Date Effective:</b>	<b>October 26, 2010</b>

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1 **A Resolution concerning**  
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3 **Town of La Plata’s Reasonable Expectation to Reimburse from Borrowed Funds Costs**  
4 **Paid in Connection with Enhanced Nutrient Removal (ENR) Upgrades to, and Capacity**  
5 **Enhancement of, the Town’s Wastewater Treatment Plant**  
6

7 FOR the purpose of making a declaration of official intent pursuant to U.S. Treasury  
8 Regulation Section 1.150-2 regarding the intention of the Town of La Plata to reimburse  
9 from the proceeds of one or more series of obligations to be issued by the Town prior  
10 expenditures made in connection with Enhanced Nutrient Removal (ENR) upgrades to,  
11 and increasing capacity of, the Town’s wastewater treatment plant.  
12

13 **RECITALS**  
14

15 WHEREAS, the Town of La Plata (the “Town”) intends to undertake Enhanced Nutrient  
16 Removal (ENR) upgrades to, and increase capacity of, the Town’s wastewater treatment plant,  
17 together with related improvements and modifications, and, in connection therewith, to acquire  
18 or pay for, as applicable, necessary property rights and equipment, related site and utility  
19 improvements, related architectural, planning, design, engineering, acquisition, construction,  
20 improvement, installation, equipping, financial and legal expenses of such undertakings and  
21 related costs of issuance (collectively, the “Project”); and  
22

23 WHEREAS, the Town intends to obtain one or more loans through the Maryland Water  
24 Quality Financing Administration’s (“MWQFA”) revolving loan program (or another source if such  
25 funding is not available) in order to finance, reimburse or refinance a portion of the costs of the  
26 Project, and to evidence such loan or loans by the issuance to the Administration (or other  
27 applicable lender) of one or more series of tax-exempt bonds of the Town (collectively or,  
28 individually by series, the “Bonds”); and  
29

30 WHEREAS, the Town reasonably expects to spend Town funds on Project costs prior to  
31 issuance of the Bonds or any interim financing incurred by the Town in anticipation of the Bonds  
32 and (i) to reimburse the Town from proceeds of the Bonds for all or a portion of such moneys  
33 expended, and/or (ii) to use Bond proceeds to refinance any interim borrowing incurred by the  
34 Town that is applied to reimburse the Town for prior Project expenditures; and  
35

36 WHEREAS, Section 1.150-2 of the U.S. Treasury Regulations (the "Reimbursement  
37 Regulations") provides that a local government funding "original expenditures" intended to be  
38 reimbursed from the proceeds of "obligations" must make a declaration of "official intent" in order  
39 to qualify such original expenditures for reimbursement from a "reimbursement bond", all within  
40 the meaning of the Reimbursement Regulations; and  
41

42 WHEREAS, the Town wishes to adopt this Resolution for the purpose of evidencing the  
43 clear and official intent of the Town to reimburse from reimbursement bond proceeds original  
44 expenditures made in connection with the Project.  
45

46 **SECTION 1. BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF LA**  
47 **PLATA** that (i) the Recitals to this Resolution are deemed a substantive part of this Resolution  
48 and are incorporated by reference herein, and (ii) capitalized terms defined in the Recitals to this  
49 Resolution and not defined in Sections 1-5 hereof will have the meanings given to such terms in  
50 the Recitals hereto.  
51

52 **SECTION 2. BE IT FURTHER RESOLVED BY THE COUNCIL OF THE TOWN**  
53 **OF LA PLATA** that in accordance with the Reimbursement Regulations, the Town hereby  
54 makes this declaration of its reasonable expectation to expend money on the Project prior to the  
55 issuance of the Bonds (or any interim financing incurred in anticipation of the Bonds) and to  
56 utilize proceeds of the Bonds (or such interim financing) to reimburse all or a portion of such  
57 original expenditures. This Resolution is intended to be a declaration of official intent within the  
58 meaning of the Reimbursement Regulations.  
59

60 **SECTION 3. BE IT FURTHER RESOLVED BY THE COUNCIL OF THE TOWN**  
61 **OF LA PLATA** that the Town reasonably expects that the maximum aggregate principal  
62 amount of the Bonds to be issued (or any interim financing to be incurred by the Town in  
63 anticipation of the Bonds) for the Project will not exceed Seven Hundred Fifty Thousand Dollars  
64 (\$750,000.00).  
65

66 **SECTION 4. BE IT FURTHER RESOLVED BY THE COUNCIL OF THE TOWN**  
67 **OF LA PLATA** that this Resolution shall be effective upon adoption by the Council.

[CONTINUED ON FOLLOWING PAGE]

ADOPTED this 26 day of October, 2010.

SEAL:

COUNCIL OF THE TOWN OF LA PLATA

Absent

Roy G. Hale, Mayor

R. Wayne Winkler

R. Wayne Winkler, Councilman

C. Keith Back

C. Keith Back, Councilman

ATTEST:

Paretta D. Mudd

Paretta D. Mudd, Councilwoman

Danielle Mandley  
Danielle Mandley, Town Clerk

Joseph W. Norris  
Joseph W. Norris, Councilman

#133215;50054.005

