CITY OF BUCKEYE
Regular Council Meeting
COUNCIL ACTION REPORT

MEETING DATE: 07/01/25	**AGENDA ITEM:** 4.T. FIN: Approve Resolution 46-25 Declaring Official Intent to Reimburse Certain Capital Expenditures
DATE PREPARED: 07/01/25	**DISTRICT NO.:** All
STAFF LIAISON: William Kauppi, Chief Financial Officer, wkauppi@buckeyeaz.gov, (623) 349-6161	
DEPARTMENT: Financial Services	**AGENDA ITEM TYPE:** Consent Agenda Items / New Business

ACTION/MOTION: (This language identifies the formal motion to be made by the Council)
Council to take action on Resolution No. 46-25 declaring, for purposes of Section 1.150-2 of the Federal Treasury Regulations, official intent to be reimbursed in connection with certain capital expenditures relating to acquisition of water rights.

SUMMARY

PROJECT DESCRIPTION:

On August 1, 2023, Council adopted Resolution No. 79-23 authorizing the execution and delivery of not to exceed $80,000,000 of the City's Excise Tax Revenue Obligations (the "Obligations") to provide funds to finance the acquisition of the "Harquahala Water Project." The Harquahala Water Project consists of the purchase of certain real property with groundwater rights allocated to such real property located in the Harquahala Valley in Maricopa County, Arizona.

On May 20, 2025, the City used funds on hand to acquire the Harquahala Water Project. It is expected that the City will cause the Obligations to be sold in fiscal year 2025/26, and use the proceeds of such financing to reimburse itself for expenditures made to acquire the Harquahala Water Project.

Interest income on the Obligations will be exempt from Federal and State income taxes. There are several rules and regulations relating to tax-exempt finance, certain of which relate to the use of tax-exempt borrowings to reimburse prior expenditures. In order to reimburse itself from the proceeds of a tax-exempt borrowing, the City must make an official declaration of intent to reimburse within 60 days of the original expenditure. Such declaration of intent must state the intent to reimburse with future borrowing proceeds and it must be in writing. Resolution 46-25 serves this purpose.

BENEFITS:

Adoption of Resolution 46-25 will satisfy the requirements of the Federal Treasury Regulations related to reimbursement, thereby preserving the ability of the City to use the proceeds of the Obligations to reimburse itself for the acquisition of the Harquahala Water Project.

FUTURE ACTION:

In fiscal year 2025/26, the City anticipates the sale and delivery of the Obligations. Proceeds of the

Obligations will be used to reimburse the City for its expenditures relating to acquisition of the Harquahala Water Project.

FINANCIAL IMPACT STATEMENT:
Proceeds of the Obligations will be used to reimburse the City for acquisition of the Harquahala Water Project as described above.

BUDGETED:
Yes

FISCAL YEAR:
2025-2026

FUND/DEPARTMENT:
Finance

Items related to a project or facility location must include an attached vicinity map for Council Review.
ATTACHMENTS:
Resolution 46-25 _Buckeye_ETO_2025_-_Reimbursement RJ- 6-23-25.docx