

RESOLUTION NO. 15-_____

BE IT RESOLVED by the City Council (the "Council") of the City of Huntsville, Alabama (the "City") as follows:

Section 1. Findings.

The Council hereby finds that the following facts are true and correct:

(a) the City owns a public water works and distribution system (the "Water System") which is operated by the Huntsville Water Works Utility Board (the "Water Board") of the City, a public natural gas system (the "Gas System"), which is operated by the Huntsville Natural Gas Utility Board (the "Gas Board") of the City, and a public electric system (the "Electric System"), which is operated by the Huntsville Electric Utility Board (the "Electric Board") of the City;

(b) the Water Board has reported to the Council that it is necessary, desirable and in the public interest that certain capital improvements be made to the Water System including the design, development, construction, equipping, and installation of a new water plant and related improvements, intake improvements, and various other capital improvements and equipment to the Water System (collectively, the "Improvements");

(c) the cost of designing, developing, constructing, equipping and installing the Improvements has been estimated to be approximately \$115,000,000;

(d) it is expected that the City will issue one or more series of water revenue warrants payable from revenues of the Water System for the purpose of providing funds to pay the costs of the Improvements (collectively, the "Water Revenue Warrants"), and it is expected that the aggregate principal amount of Water Revenue Warrants issued for the Improvements will be approximately \$120,000,000; and

(e) the City expects to incur certain costs to be paid out of the Water Fund in connection with design, development, construction, equipping and installation of the Improvements prior to the issuance of the Water Revenue Warrants, and intends to allocate a portion of the proceeds of the Water Revenue Warrants to be issued to reimburse the Water Fund for the same.

Section 2. Designation.

The City does hereby declare that it intends to allocate a portion of the proceeds of the Water Revenue Warrants to reimburse the City for expenditures incurred after the date that is no more than sixty (60) days prior to the date of the adoption of this resolution, but prior to the issuance of the Water Revenue Warrants, in connection with the design, development, construction, equipping and installation of the Improvements. This resolution is being adopted pursuant to the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations Section 1.150-2(e) promulgated thereunder.

Section 3. Future Designations of Official Intent for Water System, Gas System, and Electric System Improvements.

For purposes of Treasury Regulations Section 1.150-2, the Council hereby authorizes and designates from and after the date hereof (i) the Water Board to make official intent declarations on behalf of the City respecting improvements to the Water System to be financed with tax-exempt obligations, (ii) the Gas Board to make official intent declarations on behalf of the City respecting improvements to the Gas System to be financed with tax-exempt obligations, and (iii) the Electric Board to make official intent declarations on behalf of the City respecting improvements to the Electric System to be financed with tax-exempt obligations.

ADOPTED this the _____ day of _____, 2015.

President of the City Council of
The City of Huntsville, Alabama

APPROVED this the _____ day of _____, 2015.

Mayor of the City of Huntsville,
Alabama