

RESOLUTION NO. 2018.15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST VALLEY WATER DISTRICT REVISING RESOLUTION 2016.03 WHEREBY THE DISTRICT DECLARED ITS INTENTION TO REIMBURSE EXPENDITURES PAID PRIOR TO THE APPROVAL BY THE STATE WATER RESOURCES CONTROL BOARD OF A CLEAN WATER STATE REVOLVING FUND AND/OR WATER RECYCLING FUND FINANCIAL ASSISTANCE APPLICATION

WHEREAS, East Valley Water District (the "District") desires to finance the costs of certain Groundwater Replenishment Facilities (Project); and

WHEREAS, the Project contemplates the design and construction of public facilities in the form of a wastewater treatment plant and associated and necessary pipelines and infrastructure (the "Project"), which will treat wastewater generated within the District's service area. The Project will produce recycled water for groundwater recharge and other beneficial uses, which will benefit the San Bernardino Basin Area, which is consistent with the policies established by the State Water Resources Control Board Recycled Water Policy adopted in 2009, as well as article X, section 2 of the California Constitution and Water Code section 13576(k). The Project will be known as the Sterling Natural Resource Center; and

WHEREAS, the Environmental Impact Report for the Project was certified and CEQA Findings of Fact, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the project were adopted by the District on March 23, 2016; and

WHEREAS, the District desires and intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and

WHEREAS, prior to the approval by the State Water Board of the Project Funds, the District has incurred certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the District for which the District will seek reimbursement; and

WHEREAS, the District has determined that those moneys advanced prior to and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of East Valley Water District as follows:

Section 1. The District hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

Section 2. The reasonably expected maximum amount of the Project Construction Funds is \$132,000,000, and the reasonably expected maximum principal amount of borrowed Project Construction Funds is \$126,000,000.

Section 3. Each District expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

Section 4. This resolution is adopted as official intent of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

Section 5. All the recitals in this Resolution are true and correct and this District so finds, determines and represents.

ADOPTED this 19th day of September 2018.

Ayes: Carrillo, Coats, Goodrich, Morales, Smith
Noes: None
Absent: None
Abstain: None



Chris Carillo
Board President

September 19, 2018

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 2018.15 adopted by the Board of Directors of East Valley Water District at its Special Meeting held September 19, 2018.

ATTEST:



John Mura
Board Secretary