

**RESOLUTION 2020.10**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE EAST VALLEY WATER DISTRICT  
TO INCUR BONDED INDEBTEDNESS WITHIN COMMUNITY FACILITIES  
DISTRICT NO. 2020-1 (HIGHLAND HILLS) OF EAST VALLEY WATER DISTRICT  
AND IMPROVEMENT AREA NOS. 1, 2 AND 3 THEREIN**

WHEREAS, the East Valley Water District (the “District”), a county water district that is duly organized and existing under and by virtue of the laws of the State of California (the “State”), has received a request from First American Title Insurance Company (“First American”) to establish a community facilities district to aid in the development of the Highland Hills property; and

WHEREAS, upon receipt of the request from First American as provided in Section 53339.2 of the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53111 *et seq.*, the “Act”), the Board of Directors of the District (the “Board”) instituted proceedings to establish Community Facilities District No. 2020-1 (Highland Hills) of East Valley Water District (the “Community Facilities District”) and Improvement Area Nos. 1, 2 and 3 therein (each an “Improvement Area” and, together, the “Improvement Areas”) with boundaries coterminous with the property described in Exhibit A to Resolution No. 2020.09 (the “Resolution of Intention”) adopted on the date of this Resolution (the “Property”). The Resolution of Intention stated the Board’s intention to establish the Community Facilities District and each Improvement Area therein and to finance: (1) the purchase, construction, expansion, improvement or rehabilitation of the public facilities described in Exhibit B to the Resolution of Intention, including all furnishings, equipment and supplies related thereto (collectively, the “Facilities”); and (2) the incidental expenses to be incurred in connection with financing the Facilities, forming the Community Facilities District and each Improvement Area therein and administering the Community Facilities District (the “Incidental Expenses”); and

WHEREAS, in order to finance the Facilities and Incidental Expenses, the Board intends to authorize the issuance of bonds in an amount not to exceed \$24,000,000 for the Community Facilities District, including \$12,000,000 for Improvement Area No. 1, \$5,000,000 for Improvement Area No. 2 and \$7,000,000 for Improvement Area No. 3, the repayment of which is to be secured by special taxes levied in accordance with Section 53328 of the Act on all property in the applicable Improvement Area, other than those properties exempted from taxation in the rates and methods of apportionment set forth in Exhibit C to the Resolution of Intention;

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

Section 1. Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the above recitals and in the preambles of the documents approved herein are true and correct.

Section 2. Necessity to Incur Indebtedness. It is necessary to incur bonded indebtedness within the boundaries of the Community Facilities District in an amount not to exceed \$24,000,000 for the Community Facilities District, including \$12,000,000 for Improvement Area No. 1,

\$5,000,000 for Improvement Area No. 2 and \$7,000,000 for Improvement Area No. 3, in order to finance certain of the costs of the Facilities and Incidental Expenses, as permitted by the Act.

Section 3. Purpose of Indebtedness. The indebtedness will be incurred for the purpose of financing the costs of the Facilities and the Incidental Expenses, including, but not limited to, the funding of reserve funds for the bonds, the financing of costs associated with the issuance of the bonds and all other costs and expenses necessary to finance the Facilities which are permitted to be financed pursuant to the Act.

Section 4. Bonds. It is the intention of the Board to authorize the sale of bonds for each Improvement Area in one or more series, which bonds may be issued to fund Facilities costs and Incidental Expenses in the maximum amount set forth in Section 2, and which bonds may bear interest at a rate not in excess of the maximum rate permitted by law at the time that the bonds are issued. The term of the bonds of each series shall be determined pursuant to a resolution of the Board authorizing the issuance of the bonds of such series, but such term shall in no event exceed 31 years from the September 1 next following the date of issuance of the bonds of such series, or such longer term as is then permitted by law.

Section 5. Public Hearing. A combined public hearing (the "Hearing") on the establishment of the Community Facilities District and each Improvement Area therein, the proposed rates and methods of apportionment of special taxes for each Improvement Area and the proposed issuance of bonds for each Improvement Area to finance the Facilities and the Incidental Expenses shall be held at 5:30 p.m., or as soon thereafter as practicable, on June 10, 2020, at the District, 31111 Greenspot Road, Highland, California 92346. At the time and place set forth in this Resolution for the Hearing, any interested persons, including all persons owning land or registered to vote within the proposed Community Facilities District and each Improvement Area therein, may appear and be heard.

Section 6. Notice. The Secretary of the District is hereby authorized and directed to publish a notice (the "Notice") of the Hearing pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the Community Facilities District. The Secretary of the District is further authorized and directed to mail a copy of the Notice to each of the landowners within the boundaries of the Improvement Areas at least 15 days prior to the Hearing. The Notice shall contain the text or a summary of this Resolution, the time and place of the Hearing, a statement that the testimony of all interested persons or taxpayers will be heard, a description of the protest rights of the registered voters and landowners in the Improvement Areas and a description of the proposed voting procedure for the elections required by the Act. Such publication shall be completed at least seven (7) days prior to the date of the Hearing.

Section 7. Other Actions. The President or Vice President of the Board or the General Manager or Chief Financial Officer of the District or the designee thereof and any other proper officers of the District, acting singly, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents and certificates which such officers may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 8. Effect. This Resolution shall take effect immediately.

This Resolution shall take effect as of the 22<sup>nd</sup> day of April 2020.

ADOPTED this 22<sup>nd</sup> day of April 2020.

ROLL CALL:

Ayes: Directors: Carrillo, Coats, Goodrich, Morales, Smith

Noes: NONE

Absent: NONE

Abstain: NONE

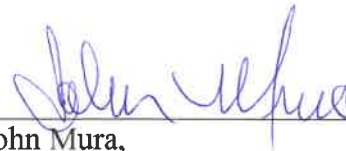


\_\_\_\_\_  
David E. Smith,  
Board President

April 22, 2020

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution 2020.10 adopted by the Board of Directors of East Valley Water District at its Regular Meeting held April 22, 2020.

ATTEST:



\_\_\_\_\_  
John Mura,  
Board Secretary