

RESOLUTION NO. 2012-15

A RESOLUTION OF THE PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT AUTHORIZING THE SUBMISSION OF THE APPLICATION TO THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK FOR FINANCING OF THE WATER RESOURCE ACQUISITION PROJECT, ESTABLISHMENT OF A WATER RATE STABILIZATION FUND IN THE AMOUNT OF \$200,000, DECLARATION OF OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF OBLIGATION, AND APPROVING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the California Infrastructure and Economic Development Bank ("I-Bank") administers a financing program to assist local governments with the financing of Public Development Facilities as described in Section 63000 *et seq.* of the California Government Code (the "Act"); and,

WHEREAS, the I-Bank has instituted an application process for financing under its Infrastructure State Revolving Fund Program ("ISRF Program"); and,

WHEREAS, the Phelan Piñon Hills Community Services District ("Applicant") desires to submit an application ("Financing Application") to the I-Bank from the ISRF Program for the financing of Water Resource Acquisition Project ("Project") in an amount up to \$10,000,000; and,

WHEREAS, the Act requires the Applicant to certify by resolution certain findings prior to a Project being selected for financing by the I-Bank; and,

WHEREAS, the Applicant expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to incurring indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the Applicant is currently in the process of conducting a rate study which may result in a future rate increase, pending the results of such an increase the Applicant will establish a Rate Stabilization Fund in the amount of \$200,000, to be held by the Applicant, which will remain active until I-Bank determines it is acceptable to dissolve the Water Rate Stabilization Fund; and

WHEREAS, the Applicant reasonably expects that a financing arrangement ("Obligation") in an amount not expected to exceed \$7,500,000 will be entered into and that certain of the proceeds of such Obligation will be used to reimburse the Reimbursement Expenditures; and

NOW, THEREFORE, the Phelan Piñon Hills Community Services District does resolve as follows:

Section 1. The Phelan Piñon Hills Community Services District hereby approves the filing of an ISRF Program Financing Application with the I-Bank for the Project; and in connection therewith certifies:

- a. that the Project is consistent with the General Plan of the County of San Bernardino;
- b. the proposed financing is appropriate for the Project;

- c. the Project facilitates effective and efficient use of existing and future public resources so as to promote both economic development and conservation of natural resources;
- d. the Project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities; and
- e. the Project is consistent with the I-Bank's Criteria, Priorities and Guidelines for the ISRF Program.

Section 2. The Applicant hereby declares its official intent to use proceeds of the Obligation to reimburse itself for Reimbursement Expenditures. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the Applicant to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. All of the Reimbursement Expenditures were made no earlier than 60 days prior to the date of this Declaration. The Applicant will allocate proceeds of the Obligation to pay Reimbursement Expenditures within eighteen (18) months of the later of the date the original expenditure is paid or the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid.

Section 4. That the Applicant has available and commits not to exceed \$4,000,000 to the Project.

Section 5. General Manager, is hereby authorized and directed to act on behalf of the Phelan Piñon Hills Community Services District in all matters pertaining to this application.

Section 6. If the application is approved, General Manager is authorized to enter into and sign the financing documents and any amendments thereto with the I-Bank for the purposes of this financing.

Section 7. This resolution shall become effective immediately upon adoption.

PASSED, APPROVED and ADOPTED this 29th day of August, 2012 by the following vote:

AYES: Roberts, Johnson, Brandon, Fahrlender, Morrissette
NOES:
ABSENT:
ABSTAIN:



Mark Roberts, President, Board of Directors