

RESOLUTION NO. 2011-1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ARMONA COMMUNITY SERVICES DISTRICT AUTHORIZING THE CHAIRMAN OF THE BOARD OF DIRECTORS TO SIGN FUNDING AGREEMENT, CERTIFICATIONS, AND AMENDMENTS FOR FUNDING UNDER THE SAFE DRINKING WATER STATE REVOLVING FUND; AUTHORIZING THE CHAIRMAN OF THE BOARD TO APPROVE CLAIMS FOR REIMBURSEMENT; AUTHORIZING THE DISTRICT ENGINEER TO EXECUTE BUDGET AND EXPENDITURE SUMMARY; AUTHORIZING THE DISTRICT ENGINEER TO SIGN THE CONTRACTOR'S RELEASE FORM; AND DEDICATING REVENUES FROM DISTRICT WATER RATE REVENUES AS THE SOURCE OF REVENUE TO REPAY SAID LOAN

A. WHEREAS, on February 4, 2010, the Armona Community Services District made application to the California Department of Public Health for \$500,000 funding under the Safe Drinking Water State Revolving Fund; and

B. WHEREAS, on December 23, 2010, the California Department of Public Health issued a Notice of Application Acceptance to said District committing \$500,000 in Loan Funding from the Safe Drinking Water State Revolving Fund for Well No. 2 Arsenic Removal Project No. 1610001-007P; and

C. WHEREAS, on February 8, 2011, said Armona Community Services District Board of Directors adopted a project budget totaling \$500,000; and

D. WHEREAS, on December 23, 2010, the California Department of Public Health committed funding in the amount of \$500,000 under the Safe Drinking Water State Revolving Fund program; and

E. WHEREAS, the Funding Agreement under the Safe Drinking Water State Revolving Fund will provide for a 5 year repayment period at a zero percent interest rate; and

F. WHEREAS, prior to the California Department of Public Health issuing said Funding Agreement, said Armona Community Services District Board of Directors is required to pass a resolution formally establishing a dedicated source of revenue to repay said loan, authorizing an officer to execute said Funding Agreement, amendments, and certifications, designating a person to approve claims for reimbursement, designating a person (registered engineer depending on work done) to sign the Budget and Expenditure Summary.

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NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the Chairman of the Board of Directors of the Armona Community Services District is hereby authorized to incur indebtedness pursuant to the funding agreement. (The term "indebtedness" as used herein means all grants, debts, obligations and liabilities, currently existing or now or hereafter made, incurred or created in connection with the Loan Funding), and sign the Safe Drinking Water State Revolving Fund program funding agreement and any amendments thereto; and

BE IT FURTHER RESOLVED AND ORDERED, that the Chairman of the Board of Directors of the Armona Community Services District is hereby authorized to approve Claims for Reimbursement under the Safe Drinking Water State Revolving Fund program; and

BE IT FURTHER RESOLVED AND ORDERED, that the District Engineer of the Armona Community Services District is hereby authorized to execute the Budget and Expenditure Summary for the Safe Drinking Water State Revolving Fund program; and

BE IT FURTHER RESOLVED AND ORDERED, that the District Engineer of the Armona Community Services District is hereby authorized to sign the Contractor's Release Form for the Safe Drinking Water State Revolving Fund program; and

BE IT FURTHER RESOLVED AND ORDERED, that the Armona Community Services District does hereby designate revenues from the District's water rates as the dedicated source of revenue to repay this Safe Drinking Water State Revolving Fund loan. This dedication shall remain in full force and effect until such loan is fully discharged, unless modification or change of such dedication is approved in writing by the California Department of Public Health. If for any reason, said source of revenues prove insufficient to satisfy the debt service of the Safe Drinking Water State Revolving Fund loan, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to meet this loan obligation and to operate and maintain this Project.

BE IT FURTHER RESOLVED AND ORDERED, that the authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The California Department of Public Health is authorized to rely upon this Resolution until written notice to the contrary, executed by each of the undersigned, is received by the California Department of Public Health. The California Department of Public Health shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the Armona Community Services District or in any other document.

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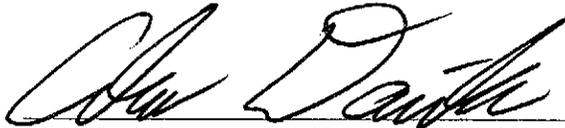
WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Armona Community Services District on February 8, 2011, by the following vote:

AYES: Bittner, Danielson, McMillan, Dillon

NOES: None

ABSENT: Chavarin

ABSTAIN: None



ALAN DANIELSON, Chairman of Board of Directors

ATTEST:



IRENE DILLON, SECRETARY

CERTIFICATE OF SECRETARY

I, Irene Dillon, the duly appointed and acting Secretary of the Board of Directors of the Armona Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Armona Community Services District, duly held at Armona, California, on February 8, 2011.

DATED: February 11, 2011.



IRENE DILLON, SECRETARY

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