

RESOLUTION NO. 2015-6

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE ARMONA COMMUNITY SERVICES DISTRICT
ADOPTING REIMBURSEMENT RESOLUTION
FOR WELL NO. 2 REPLACEMENT PROJECT
DRINKING WATER STATE REVOLVING FUND
PROJECT NO. 161000-007C**

The Board of Directors of the Armona Community Services District ("District" or "Agency") does hereby find and determine:

A. WHEREAS, the Agency is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

B. WHEREAS, the Agency provides potable water to the residents in its service area; and

C. WHEREAS, the Agency water supply is exclusively obtained from percolating groundwater occurring beneath the Agency supplied by two wells; and

D. WHEREAS, the Agency desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

E. WHEREAS, the Agency 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

F. 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

G. WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and

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

I. WHEREAS, the Agency adopted Reimbursement Resolution No. 2015-3 on June 9, 2015; and

J. WHEREAS, subsequent to adoption of Resolution No. 2015-3, the amount of Project Funds increased and it is now necessary to adopt this Reimbursement Resolution to reflect changes in the amount of Project Funds.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

- SECTION 1. The Agency 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 principal amount of the Project Funds is \$ _____.
- SECTION 3. This Resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.
- SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.
- SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.
- SECTION 6. This resolution is adopted as official intent of the Agency 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 7. All the Recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Armona Community Services District on February 9, 2016, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES MACIEL, PRESIDENT,
BOARD OF DIRECTORS

ATTEST:

CANDIDA VENEGAS, SECRETARY

CERTIFICATE OF SECRETARY

I, Candida Venegas, the duly appointed and acting Secretary of the Board of Directors of Armona Community Services District, do hereby declare that the foregoing is a true and complete

copy of a Resolution that was duly passed and adopted at a Regular Meeting of the Board of Directors of the Armona Community Services District, duly called and held at the Armona Community Center located at 11115 "C" Street, Armona, CA 93202, on February 10, 2016.

DATED: February 10, 2016.

CANDIDA VENEGAS, SECRETARY