

RESOLUTION 2016-2059

A RESOLUTION REQUESTING REIMBURSEMENT OF EXPENDITURES INCURRED PRIOR TO FUNDING BY THE STATE WATER RESOURCES CONTROL BOARD FOR THE LAS GALLINAS SECONDARY TREATMENT AND RECYCLED WATER PLANT UPGRADE PROJECT

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the Las Gallinas Valley Sanitary District (the "District") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

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

WHEREAS, the District 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 District for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE DISTRICT DOES HEREBY RESOLVE, ORDER AND DETERMINE 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 principal amount of the Project Funds is \$41,049,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the District will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each District 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 District is not aware of the previous adoption of official intents by the District 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 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 7. All the recitals in this Resolution are true and correct and this District so finds, determines and represents.

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I hereby certify that the forgoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a regular meeting thereof held on May 12, 2016, by the following vote of the members thereof:

AYES, and in favor thereof, Members: *Clark, Elias, Greenfield, Murray, Schriebman.*
NOES, Members: *None.*
ABSENT, Members: *None.*
ABSTAIN, Members: *None.*

Teresa L. Lerch, District Secretary
Las Gallinas Valley Sanitary District

APPROVED:

Judy Schriebman, Board President

(seal)

