

RESOLUTION NO. 061

**A RESOLUTION OF THE BOARD OF DIRECTORS
OR THE CRESTLINE SANITATION DISTRICT
ESTABLISHING A REIMBURSEMENT POLICY TO FINANCE THE COSTS OF
CONSTRUCTING AND/OR RECONSTRUCTING CERTAIN PUBLIC FACILITIES
AND IMPROVEMENTS RELATING TO ITS WASTEWATER SYSTEM**

WHEREAS, the Crestline Sanitation District (the "District") desires to finance the cost of constructing and/or reconstructing certain public facilities and improvements relating to its 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 Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF 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 minimum principal amount of the Project Funds is \$8,000,000.00

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 the District's knowledge, the 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.

ADOPTED this 10th day of October, 2019

AYES:

NOES:

ABSTAIN:

ABSENT:

President, Board of Directors

ATTEST: _____

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution and regularly adopted at a meeting of the Board of Directors held on October 10, 2019.

Dawn Grantham, Recording Secretary