

## RESOLUTION NO 2008-04

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT ADOPTING A RESOLUTION 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 FOR THE RECYCLED WATER PROJECT

WHEREAS, the Beaumont Cherry Valley Water District (the "District ") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and recycled water system, including certain pipelines and other infrastructure (the "Project"); and

WHEREAS, the District intends to finance the Project or portions thereof with monies ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (the "Board"); and

WHEREAS, the 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 Board of the Project Funds the District desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available monies of the District; and

WHEREAS, the District has determined that those monies 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 Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is Sixteen Million Three Hundred Seventy Thousand Dollars (\$16,370,000.00).

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

SECTION 4. Each Expenditure by the District will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of the actual knowledge of the Board of Directors of the District, 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.

AYES:               Dopp, Lash, Chatigny  
NOES:               Ball  
ABSENT:           Parks  
ABSTAIN:          None

ADOPTED, SIGNED AND APPROVED THIS 2<sup>nd</sup> DAY OF APRIL, 2008



---

Albert Chatigny, President of the  
Board of Directors of the  
Beaumont Cherry Valley Water District

ATTEST:



---

Charles J. Butcher, General Manager  
And Secretary/Treasurer

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors of the Beaumont Cherry Valley Water District held on April 2, 2008.

APPROVED:



---

Albert Chatigny, President of the  
Board of Directors of the  
Beaumont Cherry Valley Water District

ATTEST:



---

Charles J. Butcher, Secretary to the  
Board of Directors of the  
Beaumont Cherry Valley Water District