

**RESOLUTION NO. 2015-14**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT  
IN SUPPORT OF A FINANCIAL ASSISTANCE APPLICATION FOR A  
FINANCING AGREEMENT FROM THE STATE WATER RESOURCES  
CONTROL BOARD FOR THE PLANNING, DESIGN AND CONSTRUCTION OF THE  
PURE WATER MONTEREY GROUNDWATER REPLENISHMENT PROJECT**

**WHEREAS**, the Board of Directors of the Monterey Peninsula Water Management District ("District") on April 20, 2012 approved a three-party Memorandum of Understanding with the Monterey Regional Water Pollution Control Agency ("Agency") and California American Water to develop the Pure Water Monterey Groundwater Replenishment Project ("Project"); and

**WHEREAS**, the Board of Directors of the District on July 31, 2013 approved a sixteen-party proposed Settlement Agreement to develop the Monterey Peninsula Water Supply Project, including the Pure Water Monterey Groundwater Replenishment Project, as part of Application A.12-04-019 at the California Public Utilities Commission; and

**WHEREAS**, the Board of Directors of the District on October 8, 2014 approved a five-party Memorandum of Understanding Regarding Source Waters and Water Recycling in support of the Pure Water Monterey Groundwater Replenishment Project; and

**WHEREAS**, the Project would produce replacement water sources and groundwater storage to allow California-American Water Company to extract 3,500 AFY from the Seaside Groundwater Basin to meet its obligations to find a replacement to its use of water from the Carmel River; and

**WHEREAS**, the District will enter into a Water Purchase Agreement for the sale of the product water and creation of revenues that will pay the costs of the Project; and

**WHEREAS**, the Board of Directors of the District on April 20, 2015 authorized utilization of the District credit for financing of the Pure Water Monterey Groundwater Replenishment Project; and

**WHEREAS**, the Board of Directors of the Agency has approved its Resolution No. 2014-03 authorizing its General Manager to sign and file, for and on behalf of the Agency, in the State Revolving Fund application process; and

**WHEREAS**, the State Water Board offers a State Revolving Fund Loan Program that would support the construction of the Project; and

**WHEREAS**, the loan application requires an official resolution to be adopted by the Board of Directors of the Agency and the District verifying support of the loan.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Monterey Peninsula Water Management District to:

1. Verifies that it authorizes the General Manager (the “Authorized Representative”) or his/her designee to sign and file for on behalf of the District, a financial assistance application or letter in support of an Agency application from the State Water Resources Control Board for the planning, design, and construction of the Pure Water Monterey Groundwater Replenishment Project;
2. Authorizes the General Manager or his/her designee to provide the assurances certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto;
3. **Hereby dedicates and pledges** wholesale water sales revenues from the water purchase agreement, and **its ability to raise a District Water Supply Charge through the Proposition 218 process as additional support should revenues from the water purchase agreement be insufficient or interrupted**, to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Pure Water Monterey Groundwater Replenishment Project;
4. **Commits to collecting such revenues and maintaining such funds throughout the term of such financing** and until the repayment obligation thereunder is satisfied unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreements are outstanding, the District’s pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board

## EXHIBIT 2-B

*Final MPWMD Resolution No. 2015-14 – Support of a Financial Assistance Application for a Financing Agreement from the State Water Resources Control Board for the Planning, Design, and Construction of the Pure Water Monterey Groundwater Replenishment Project -- Page 3 of 3*

on the foregoing funds and revenues without any further action necessary. So long as the financing agreements are outstanding, the District commits to maintaining funds and revenues at levels sufficient to meet its obligations under the financing agreements; and

5. Authorizes the General Manager or his/her designee to represent the District in carrying out the District's responsibilities under the financing agreement and compliance with applicable state and federal laws.

On motion of Director Pendergrass, and second by Director Potter, the foregoing resolution is duly adopted this 20<sup>th</sup> day of July 2015, by the following votes:


AYES: Directors Pendergrass, Potter, Brower, Byrne, Clarke, Lewis and Markey

NAYES: None

ABSENT: None

I, David J. Stoldt, Secretary of the Board of Directors of the MPWMD, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted on the 20<sup>th</sup> day of July 2015.

Witness my hand and seal of the Board of Directors, this 27<sup>th</sup> day of July, 2015.

  
David J. Stoldt, Secretary to the Board