



**FINAL
RESOLUTION NO. 2022-03**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
DECLARING THE OFFICIAL INTENT TO REIMBURSE EXPENDITURES
FROM THE PROCEEDS OF TAX-EXEMPT SECURITIES**

WHEREAS, the Monterey Peninsula Water Management District (the “District”) desires to finance the construction of facilities described in detail below (collectively the “Project”); and

WHEREAS, at its November 15, 2021 meeting the Board of Directors of the Monterey Peninsula Water Management District (the “District”) approved Amendment 6 to the cost sharing agreement with Monterey One Water for Pure Water Monterey expansion officially declaring its intent to reimburse 75% of pre-construction expenditures made on the Project (the “Expenditures”) from advances of District revenues and reserves; and

WHEREAS, the District has determined that those moneys to be advanced on and after the date of Resolution No. 2022-03 to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District of the Expenditures from the proceeds of the Obligations; and

WHEREAS, the District reasonably expects to reimburse such expenditures by authorizing the sale and delivery of Certificates of Participation or other Obligations, as described below:

NOW, THEREFORE, the Board of Directors of the Monterey Peninsula Water Management District hereby resolves as follows:

1. This Resolution is a declaration of official intent to reimburse expenditures pursuant to Treasury Regulations Section 1.150-2.
2. The District desires to finance the permitting, design, and construction of the Project consisting of an expansion to the Pure Water Monterey project to be designed, built, owned, and operated by the Monterey One Water.
3. The District has determined that Pure Water Monterey expansion is a project for the common benefit of the District as a whole.
4. The District reasonably expects to reimburse the expenditures through the sale and delivery of Certificates of Participation or revenue bonds (the “Obligations”), the interest component of which is excludable from gross

income under Section 103 of the Internal Revenue Code. The expected maximum principal amount of the Certificates of Participation to be issued for the project is \$75,000,000.

5. The tax-exempt securities, "Obligations", or Certificates of Participation envisioned are construed to include the State Revolving Fund loans issued through the State Water Board.
6. The reimbursement allocation to be made with respect to the expenditures will occur not later than eighteen (18) months after the later of (i) the date on which the expenditure is made, or (ii) the Project is placed in service, but in no event more than 3 years after the expenditure is paid.
7. This Resolution expresses the District's expectations as of this date with respect to the financing of the construction and acquisition of the Project. Future events or extraordinary circumstances beyond the control of the District may result in the Project being financed in a manner other than as described in this Resolution, and nothing contained herein constitutes an irrevocable commitment by the District to issue the Certificates of Participation.


PASSED AND ADOPTED on this 27th day of January 2022 on a motion by Director Malek with a second by Director Riley by the following vote, to wit:

AYES: Director Edwards, Riley, Malek, Paull, Anderson, Adams and Roberson

NOES: None

ABSENT: None

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a resolution adopted on 27th day of January 2022.


David J. Stoldt,
Secretary to the Board