



RESOLUTION 2023-07

A RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
REGARDING INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS

WHEREAS, the Hidden Valley Lake Community Services District (the "District") is a Community Services District that is duly created, established and authorized to transact business and exercise its powers under and pursuant to Division 3 of Title 6 of the California Government Code and the Constitution of the State of California; and

WHEREAS, the District desires to finance the costs of acquiring, constructing and installing certain public facilities and improvements for the benefit of its water system, as provided in Exhibit A attached hereto and incorporated herein (the "Water Reliability Projects"); and

WHEREAS, the District intends to finance the acquisition, construction and installation of the Water Reliability Projects or portions of said projects with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, the District desires to pay certain costs with respect to the Water Reliability Projects from available moneys of the District, including but not limited to reserves held by the District and water use fees, prior to the issuance of the Obligations and to reimburse the District for such costs from a portion of the proceeds of the sale of the Obligations.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Hidden Valley Lake Community Services District, Lake County, California, as follows:

1. Each of the above recitals is true and correct.
2. The District reasonably expects, and hereby states its intention, to reimburse itself for Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes the general character, type, purpose and function of the Water Reliability Projects.
3. The reasonably expected maximum principal amount of the Obligations that is anticipated to be used for such reimbursement is \$5,000,000.
4. Except as described in Section 8 below, this resolution is being adopted not later than 60 days after the payment of the original expenditures (the "**Expenditures Date or Dates**").
5. Except as described in Section 8 below, the expected date of issue of the Obligations will be within 18 months of the later of: (a) the Expenditure Date or Dates; or (b) the date that the Water Reliability Projects are placed in service; provided that the reimbursement may not be made more than three years after the Expenditure Date or Dates.
6. Proceeds of the Obligations to be used to reimburse the District for Water Reliability Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the District (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with

respect to an obligation of the District or any entity related in any manner to the District, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

7. This Resolution is consistent with the budgetary and financial circumstances of the District as of the date hereof. No moneys from sources other than the Obligations are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the District (or any related party) pursuant to their budget or financial policies with respect to the Water Reliability Project costs. To the best of our knowledge, this Board 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.
8. The limitations that are described in Sections 4 and 5 above do not apply to: (a) costs of issuance of the Obligations; (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Water Reliability Projects for which the preliminary expenditures were incurred.
9. This resolution is adopted as an official action 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 District expenditures incurred prior to the date of issue of the Obligations, is part of the District's official proceedings, and will be available for inspection by the general public at the main administrative office of the District.
10. This Resolution shall take effect immediately upon its adoption.

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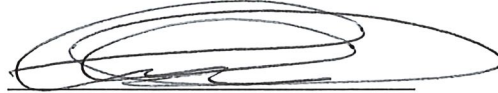
I hereby certify that the foregoing resolution was duly and regularly adopted by the Board of Directors of the Hidden Valley Lake Community Services District, Lake County, California, at a meeting thereof held on the 15<sup>th</sup> day of August 2023, by the following vote:

AYES: Directors, Graves, Freeman, Lieberman. Millerick and Brown

NOES: None

ABSENT: None

ABSTAIN: None



Claude Brown  
President of the Board

**ATTEST:**



Dennis White  
General Manager/Secretary to the Board



## EXHIBIT A

### DESCRIPTION OF THE WATER RELIABILITY PROJECTS

Water System Improvements, including but not limited to:

1. Tank 4 Replacement
2. Wellhead Refurbishment
3. Tank 9 Replacement
4. Installation of Stationary Generators
5. Replacement and Refurbishment of Mainlines
6. Development of Defensible Space Buffers in the vicinity of Water System Infrastructure