

**RESOLUTION NO. 07-17**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
RUNNING SPRINGS WATER DISTRICT DEDICATING A  
SOURCE OF REVENUES FOR THE REPAYMENT OF A  
STATE WATER RESOURCES CONTROL BOARD CLEAN  
WATER STATE REVOLVING FUND LOAN**

**WHEREAS**, the Running Springs Water District (the "District") has made an application to the State Water Resources Control Board for a Clean Water State Revolving Fund loan (the "SRF Loan") to finance Automatic Water Meter Reading Improvements (the "Project"); and

**WHEREAS**, approval of the SRF Loan requires that the District establish one or more dedicated sources of revenue for repayment of the SRF Loan before executing the financing agreement for such SRF Loan; and

**WHEREAS**, this Board of Directors desires to establish such a dedicated source of revenue for the repayment of the proposed SRF Loan.

**NOW, THEREFORE**, be it resolved by the Board of Directors of Running Springs Water District as follows:

**SECTION 1. Dedications.** The District hereby dedicates Net Revenues of the Water Proprietary Fund to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for the Project. This dedicated source of Net Revenues shall remain in effect throughout the term of such financing unless modification or change of such dedication is approved in writing by the State Water Resources Control Board.

**SECTION 2. Definitions.** For purposes of this Resolution, the following capitalized terms not previously defined herein shall have the following meanings:

A. "Water System" means the whole and each and every part of the Water System of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions

and improvements to such water system or any part thereof hereafter acquired or constructed.

B. "Net Revenues" means, for any fiscal year less an amount equal to all of the Revenues from such fiscal year less the Operation and Maintenance Costs for such fiscal year for the District's Water Proprietary Fund.


C. "Operation and Maintenance Costs" means costs spent or incurred for maintenance and operation of the Water System calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of this Agreement or any resolution or indenture authorizing the issuance of any Contract; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature and all capital charges.

D. "Revenues" means all income, rents, rates, fees, charges and other moneys derived from the ownership and operation of the Water System, including, without limiting the generality of the foregoing, (1) all income, rents, rates, fees, charges and other moneys derived by the District from the delivery of Water or other services or

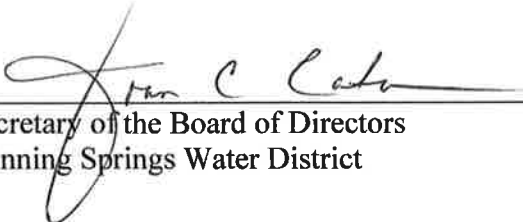
facilities provided in the conduct and operation of the business of the Water System, (2) the proceeds of any stand-by or Water availability charges, development fees and connection charges collected by the District, or (3) the earnings on and income derived from the investment of amounts described in clauses (1) and (2) above and from Water Fund reserves, but excluding (1) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District and (b) any proceeds of taxes or assessments restricted by law to be used by the District to pay bonds or other obligations heretofore or hereafter issued.

**ADOPTED** this 8<sup>th</sup> day of March, 2017

**Ayes:** Ayers, Bennett, Terry  
**Noes:** 0  
**Abstentions:** 0  
**Absent:** Grabow, Mackzum

  
\_\_\_\_\_  
President of the Board of Directors  
Running Springs Water District

ATTEST:

  
\_\_\_\_\_  
Secretary of the Board of Directors  
Running Springs Water District

