

RESOLUTION NO. 12-14

**RESOLUTION OF THE BOARD OF DIRECTORS OF
RUNNING SPRINGS WATER DISTRICT PLEDGING
REVENUES AND FUNDS FOR THE PAYMENT OF
OBLIGATIONS DUE PURSUANT TO A STATE WATER
RESOURCES CONTROL BOARD INSTALLMENT SALE
AGREEMENT**

WHEREAS, Running Springs Water District (“District”) is an independent special district of the State of California created pursuant to, and governed by, the County Water District Law set forth in Division 12 of the California Water Code, beginning with Section 30000 thereof; and

WHEREAS, Water Code Section 31041 authorizes and empowers the District to hold, use, enjoy, lease, or dispose of property, within or without the District, necessary to the full exercise of its powers; and

WHEREAS, Water Code Section 31048 authorizes and empowers the District to contract with the State of California, or any agency thereof, with respect to the treatment, purification and recapture of any waters, including sewage and storm waters, and the doing of any act with respect thereto, for the use, operation, management, or control of any public works or property; and

WHEREAS, pursuant to the authority set forth in Water Code Section 31100, the District owns and operates facilities, including sewer lift stations, for the collection, treatment and disposal of sewage, waste and storm waters; and

WHEREAS, Water Code Section 31300 also authorizes and empowers the District to borrow money, incur indebtedness, and issue bonds or other evidences of indebtedness on behalf of the District; and

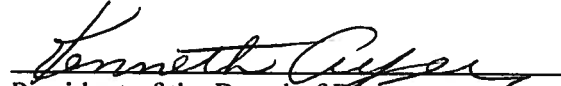
WHEREAS, the District has made an application to the State Water Resources Control Board for approval of a Clean Water State Revolving Fund installment sale agreement to be executed by the District to finance a project identified as Sewer Lift Station Nos. 1-3 Improvements; and

WHEREAS, approval of the proposed financing requires that the District establish one or more dedicated sources of revenue and funds for payment of financial obligations incurred pursuant to the installment sale agreement;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Running Springs Water District hereby dedicates and pledges the net revenues of the District's "Sewer Proprietary Fund" for payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financings for the Running Springs Water District Lift Station Nos. 1-3 Improvements (Project No. 7879-110). The District commits to collecting such revenue and maintaining such funds throughout the term of such financing and until the District has satisfied its repayment obligations thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreement is outstanding, the District's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing funds and revenues without any further action necessary. So long as the financing agreement is outstanding, the District commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreement.

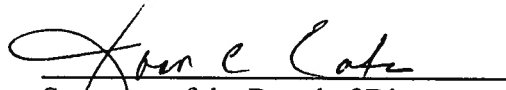
ADOPTED this 21st day of May, 2014.

Ayes: 5 Ayers, Brittain, Terry, Bennett, Heredia
Noes: 0
Abstentions: 0
Absent: 0



President of the Board of Directors
Running Springs Water District

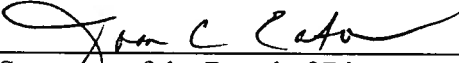
ATTEST:



Secretary of the Board of Directors
Running Springs Water District

I, Joan Eaton, Secretary of the Board of Directors of Running Springs Water District, do hereby certify that the above and foregoing is a true, correct and complete copy of Resolution No. 12-14 adopted by the Board of Directors of Running Springs Water District on May 21, 2014, and that the same has not been amended, modified or rescinded and is fully effective as of this date.

Dated: May 21, 2014


Secretary of the Board of Directors
Running Springs Water District