

RESOLUTION 2014 - 10

**RESOLUTION OF THE BOARD OF DIRECTORS
OF RANCHO MURIETA COMMUNITY SERVICES DISTRICT
APPROVING INTER-FUND TRANSFER AND LOAN TO FINANCE
DISTRICT SHARE OF WATER TREATMENT PLANT EXPANSION
PROJECT COSTS**

WHEREAS, the Rancho Murieta Community Services District (District) is proposing to construct improvements to its Water Treatment Plant #1 (the "Water Treatment Plant Expansion Project") with substantial funding by various landowners and developers;

WHEREAS, the District's share of the Water Treatment Plant Expansion Project is estimated to be \$4,358,245;

WHEREAS, the Board has decided to finance \$2,000,000 of this sum by an inter-fund transfer and loan on the terms provided below, and with the balance of \$2,358,245 to be paid from Water Capital Replacement Reserves and WTP Debt Prefunding Reserves; and,

WHEREAS, Government Code sections 53601(e), 66006 and 66013 and other laws authorize an inter-fund transfer and loan to finance these improvement costs;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE RANCHO MURIETA COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:


Section 1. The Board of Directors approves a loan and transfer of \$1,500,000 from the Sewer Capital Replacement Reserve Fund and \$500,000 from the Water Supply Augmentation Reserve Fund (the "Borrowed-From Funds") to the Water Capital Replacement Reserve Fund (the "Indebted Fund") in order to finance the District's share of the Water Treatment Plant Expansion Project costs and the General Manager is hereby authorized and directed to implement the transfer and loan. The Director of Administration shall keep or cause to be kept detailed records of the funds so transferred and the costs expended, in order to accurately ascertain, record, and monitor the Indebted Fund's liability to the Borrowed-From Funds.

Section 2. The Borrowed-From Funds shall be repaid by the Indebted Fund with interest at a rate equal to the interest rate being earned by the Borrowed-From Fund for the same time period. The repayment with interest shall be made in full no later than June 30, 2030.

Section 3. The Board finds and determines that the Borrowed-From Funds monies transferred and loaned by this resolution are not required for the immediate necessities of that fund, that the transferred funds will be repaid with interest to the Borrowed-From Funds before they are needed for that fund(s), and that the loan and transfer under this resolution are prudent, reasonable and appropriate and in the best interests of the District and its ratepayers.


PASSED AND ADOPTED this 21st day of May 2014 by the following vote:

Ayes: Pasek, Ferraro, Gumbinger, Martel
Noes: Belton
Abstain: None
Absent: None



Gerald Pasek, President of the Board
Rancho Murieta Community Services District

Attest:



Suzanne Lindenfeld
District Secretary