

RESOLUTION NO. 02-12-2019

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MALAGA
COUNTY WATER DISTRICT AUTHORIZING A LOAN FROM
THE RURAL COMMUNITY ASSISTANCE CORPORATION**

WHEREAS, the Malaga County Water District is a County Water District duly formed and existing pursuant to §30000 et seq. of the California Water Code and as such is empowered to own property, borrow money, and give security for loans (the “District”); and

WHEREAS, the District, a severely disadvantaged community, which has entered into an agreement to receive funding from the State Water Resources Control Board (“Board”) to install water meters on properties within the District’s boundaries (Project No.1010042-014C; the “Project”), wherein the District would pay for the installation of the water meters and be reimbursed for a substantial portion of those expenses by the Board utilizing Proposition 1 funds; and

WHEREAS, the District has recently been informed by the Board that there will be a delay in the disbursement of Proposition 1 funds for expenses incurred by the District for work performed and eligible for reimbursement under the Project funding agreement; and

WHEREAS, the District will require temporary or bridge loan financing (Grant Anticipation Note; Government code section 53859 et. Seq.) to cover the costs of the meter installation until such time as those costs are reimbursed by the Board to avoid interest and penalties and to insure the Project is completed in accordance with the funding agreement; and

WHEREAS, the District sought multiple bridge loan proposals which included both fixed and variable rates; and

WHEREAS, the District has determined that because the term of the bridge loan is uncertain, a fixed rate bridge loan will provide certainty and is in the best interest of the District; and

WHEREAS, after considering the proposals, the District has determined that the fixed rate option from the Rural Community Assistance Corporation (the “RCAC”) which is authorized to make loans for housing, environmental infrastructure and community facilities for low income people is the preferred proposal; and

WHEREAS, the District wishes to obtain a loan from the RCAC for the development of the Project as described above.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT AS FOLLOWS:

1. That the foregoing recitals are true and correct and incorporated by this reference herein as though fully set forth at this point.

2. The District shall submit to RCAC an application for a loan for the Project to be developed in the County of Fresno and the State of California.

3. If the loan is approved, the District is hereby authorized to incur indebtedness in an amount not to exceed the amount approved by the RCAC and to enter into a loan agreement with the RCAC for the purposes set forth in the loan application and approved by the RCAC. It also may give a promissory note in substantially the form as Exhibit A, attached hereto and incorporated by this reference herein, and execute security and other instruments required by RCAC to evidence and secure the indebtedness.

4. The District is further authorized to request amendments, including increases in the loan amount up to amounts approved by RCAC, and to execute any documents required by RCAC to evidence and secure these amendments.

5. The District authorizes Charles Garabedian, Jr., President, to execute in the name of the District, the loan application and the loan agreement, promissory note, security and other instruments, and any and all other documentation for the disbursement of funds required by RCAC to make and secure the loan and any amendments thereto.

6. The District authorizes James Anderson, General Manager, to execute in the name of the District, only that documentation required by RCAC for the disbursement of funds during the term of the loan.

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Passed and adopted by the Board of Directors of the Malaga County Water District at their meeting held on this 13 day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

Charles Garabedian, Jr., President
Malaga County Water District

ATTEST:

James D. Anderson, General Manager-
Secretary of the Board of Directors
Malaga County Water District