

RESOLUTION NO. _____

**RESOLUTION OF INTENTION OF THE BOARD OF DIRECTORS OF
EASTERN MUNICIPAL WATER DISTRICT TO INCUR BONDED
INDEBTEDNESS WITHIN COMMUNITY FACILITIES DISTRICT
NO. 2017-79 (EAGLE CREST) OF EASTERN MUNICIPAL WATER
DISTRICT**

WHEREAS, upon receipt of a petition as provided in Section 53318 of the Government Code of the State of California, the Board of Directors of Eastern Municipal Water District (the "Board of Directors") instituted proceedings to form Community Facilities District No. 2017-79 (Eagle Crest) of Eastern Municipal Water District ("CFD No. 2017-79"), pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act"), as amended, and adopted a resolution on the date hereof (the "Resolution of Intention") stating its intention to form CFD No. 2017-79 and to finance (1) the purchase, construction, expansion, improvement or rehabilitation of public improvements identified in Attachment "A" (which attachment is incorporated herein by this reference), including all furnishings, equipment and supplies related thereto (collectively, the "Improvements") and (2) the incidental expenses to be incurred in connection with financing the Improvements, and forming and administering CFD No. 2017-79 (collectively, the "Incidental Expenses"); and

WHEREAS, the Board of Directors estimates that the amount required to finance the Improvements and Incidental Expenses is approximately \$16,100,000; and

WHEREAS, in order to finance the Improvements and Incidental Expenses, the Board of Directors intends to authorize the issuance of bonds in the maximum principal amount that is set forth in the preceding recital, the repayment of which is to be secured by special taxes levied in accordance with Section 53328 of the Act on all property in CFD No. 2017-79, other than those properties exempted from taxation in the rate and method of apportionment set forth in Attachment "C" to the Resolution of Intention;

THE BOARD OF DIRECTORS OF EASTERN MUNICIPAL WATER DISTRICT HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

1. The above recitals are true and correct.
2. It is necessary to incur bonded indebtedness within the boundaries of CFD No. 2017-79 in an amount not to exceed \$16,100,000, in order to finance certain of the costs of the Improvements and Incidental Expenses, as permitted by the Act.
3. The indebtedness will be incurred for the purpose of financing the costs of the Improvements and the Incidental Expenses, including, but not limited to, the funding of reserve funds for the bonds, the financing of costs associated with the issuance of the bonds and all other costs and expenses necessary to finance the Improvements which are permitted to be financed pursuant to the Act.

4. It is the intent of the Board of Directors to authorize the sale of bonds in one or more series, which bonds may be issued to fund Improvements costs and Incidental Expenses in the maximum amount set forth in Section 2, and which bonds may bear interest at a rate not in excess of the maximum rate permitted by law at the time that the bonds are issued. The term of the bonds of each series shall be determined pursuant to a resolution of this Board of Directors authorizing the issuance of the bonds of such series, but such term shall in no event exceed 40 years from the date of issuance of the bonds of such series, or such longer term as is then permitted by law.

5. A combined public hearing (the "Hearing") on the proposed debt issue and the levy of special taxes shall be held at 9:00 a.m. or as soon thereafter as practicable, on January 15, 2020, at the Board of Directors Meeting Room, 2270 Trumble, Perris, California.

6. At the time and place set forth in this Resolution for the Hearing, any interested persons, including all persons owning land or registered to vote within proposed CFD No. 2017-79, may appear and be heard.

7. The Secretary of the Board of Directors is hereby directed to publish a notice of the Hearing (the "Notice") pursuant to Section 6061 of the Government Code in a newspaper of general circulation published in the area of the proposed CFD No. 2017-79. Such publication shall be completed at least seven days prior to the date of the Hearing. The Secretary of the Board of Directors is further directed to mail a copy of the Notice to each of the landowners within the boundaries of proposed CFD No. 2017-79 at least 15 days prior to the Hearing.

8. This Resolution shall be effective upon its adoption.

Dated: November 20, 2019

Ronald W. Sullivan, President

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of Eastern Municipal Water District at its meeting held on November 20, 2019.

ATTEST:

Sheila Zelaya, Board Secretary

(SEAL)

ATTACHMENT A

DESCRIPTION OF IMPROVEMENTS AND INCIDENTAL EXPENSES

EMWD Improvements.

The proposed improvements include the construction, purchase, modification, expansion, improvement or rehabilitation of water and sewer facilities including the acquisition of capacity in the sewer system and/or water system of Eastern Municipal Water District, and all appurtenances and appurtenant work in connection with the foregoing including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such Improvements and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Improvements.

The EMWD Improvements listed herein are representative of the types of improvements authorized to be financed by CFD No. 2017-79. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the Eastern Municipal Water District. Addition, deletion or modification of descriptions of the Improvements may be made consistent with the requirements of the Board of Directors of Eastern Municipal Water District, CFD No. 2017-79 and the Act.

County of Riverside Improvements.

The proposed improvements include the construction, purchase, modification, expansion, improvement and/or rehabilitation of street, roadway, traffic signal, signage and other related public facilities to be owned and operated by the County of Riverside ("County Improvements"), and all appurtenances and appurtenant work in connection with the foregoing including the cost of engineering, planning, designing, materials testing, coordination, construction staking, construction management and supervision for such County Improvements and any other expense incidental to the construction, acquisition, modification, expansion or rehabilitation of such Improvements.

The County Improvements listed herein are representative of the types of improvements authorized to be financed by CFD No. 2017-79. Detailed scope and limits of specific projects will be determined as appropriate, consistent with the standards of the County of Riverside. Addition, deletion or modification of descriptions of the County Improvements may be made consistent with the requirements of the County of Riverside, CFD No. 2017-79 and the Act.

Incidental Expenses.

The Incidental Expenses to be paid from bond proceeds and/or special taxes include:

All costs associated with the creation of CFD No. 2017-79, the issuance of the bonds, the determination of the amount of special taxes to be levied, costs otherwise incurred in order to

carry out the authorized purposes of CFD No. 2017-79, including legal fees, fees of consultants, engineering, planning, designing and the annual administration cost of CFD No. 2017-79.