

AVILA BEACH COUNTY WATER DISTRICT

RESOLUTION NO. 76-1

RESOLUTION OF THE BOARD OF DIRECTORS OF AVILA BEACH COUNTY
WATER DISTRICT CALLING A SPECIAL REVENUE BOND ELECTION

FOR THE PURPOSE OF SUBMITTING TO THE
QUALIFIED ELECTORS OF SAID DISTRICT THE MEASURE
OF ISSUING REVENUE BONDS IN THE PRINCIPAL AMOUNT OF
\$180,000 TO PROVIDE FUNDS FOR THE ACQUISITION AND
CONSTRUCTION OF IMPROVEMENTS TO THE FOLLOWING
ENTERPRISE, TO WIT: THE DISTRICT WATER SYSTEM;
DECLARING THE ESTIMATED COST OF SAID IMPROVEMENTS,

THE PRINCIPAL AMOUNT OF THE REVENUE BONDS
TO BE ISSUED THEREFOR AND THE MAXIMUM RATE OF INTEREST

TO BE PAID ON SUCH REVENUE BONDS; FIXING
THE DATE OF SAID ELECTION, THE MANNER OF HOLDING
THE SAME AND THE MANNER OF VOTING FOR OR AGAINST THE
ISSUANCE OF SAID REVENUE BONDS AND CONSOLIDATING

SAID ELECTION WITH THE STATE OF CALIFORNIA

GENERAL ELECTION TO BE HELD ON
NOVEMBER 2, 1976; AND PROVIDING FOR NOTICE OF

SAID ELECTION.

WHEREAS, Avila Beach County Water District
(the "district") now owns, operates and maintains a
district water system (the "district water system" and
the "enterprise"); and

WHEREAS, the Board of Directors (the "board") of the district has duly determined that the public interest and necessity demand the acquisition and construction of improvements to the enterprise and has further duly determined that said improvements should be financed by the issuance of revenue bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Avila Beach County Water District, as follows:

Section 1. A special revenue bond election (the "election") is hereby ordered and will be held in Avila Beach County Water District on Tuesday, November 2, 1976, at which election shall be submitted to the qualified voters of the district the question of issuing revenue bonds (the "revenue bonds") under the Revenue Bond Law of 1941 (the "law") for the purpose of providing funds for the acquisition and construction of improvements (the "improvements") to the enterprise, as set forth in the following measure (the "measure"), to wit:

MEASURE ():

(Water System	Shall Avila Beach County
Improvements -	Water District issue revenue bonds in the principal
Revenue Bonds)	amount of \$180,000 pursuant to the Revenue Bond Law of

1941 to provide funds for the acquisition and construction of improvements to the district water system, comprising water mains, hydrants and services and a water storage tank, together with pipes, pumps, machinery, lands, easements, rights-of-way and other works, properties or structures necessary or convenient for the acquisition and construction of improvements to the district water system?

Section 2. (a) The estimated cost of the acquisition and construction of the improvements is \$180,000 and the principal amount of the revenue bonds proposed to be issued therefor is \$180,000.

(b) Said estimated cost includes all costs and estimated costs incidental to or connected with the acquisition and construction of the improvements, including all engineering, inspection, legal and fiscal agent's fees, costs of the election and of the issuance of the revenue bonds, bond reserve funds and working capital and bond interest estimated to accrue during the construction period and for a period of not to exceed twelve months after the completion of construction. The enterprise is hereby defined to be the whole and each and every part of the district water system, including the improvements referred to in the measure and all facilities and improvements heretofore or hereafter constructed or acquired for the district water system, and all additions, extensions, betterments and improvements to the district water system or any part thereof heretofore or hereafter made or constructed or acquired by contract, purchase, condemnation or otherwise for said purpose. It is hereby found and determined (i) that the district now owns and operates the enterprise; (ii) that the improvements and each and every part thereof when acquired and constructed will constitute an integral part of the enterprise; (iii) that the public interest and necessity require the improvements; (iv) that the enterprise as improved by the improvements will be operated as a single unified water system; (v) that the board has no means of financing the cost of the improvements except by the issuance and sale of the revenue bonds;

(vi) that the revenues from the enterprise (including, without limiting the generality thereof, all revenues from the improvements) shall be pledged to the payment of the revenue bonds; (vii) that the enterprise as improved by the improvements will constitute a complete water system for the district; and (viii) that the improvements are necessary to enable the district to exercise its powers and functions, namely, to furnish water service for any present or future beneficial use of the district.

Section 3. The board proposes to issue and sell the revenue bonds in not to exceed the amount and for the object and purpose specified in the measure if a majority of all of the voters voting on the measure at the election shall vote in favor of the measure. The rate of interest to be paid on the revenue bonds shall not exceed eight per cent (8%) per annum, payable annually or semiannually, as the board in its discretion may provide at the time of the sale of any of the revenue bonds. The revenue bonds shall be payable exclusively from the revenues of the enterprise for the improvement of which they are authorized and shall not be secured by the taxing power of the district, and shall be issued under the law. The principal of and interest on the revenue bonds, and any premiums upon the redemption of any thereof, are not and shall not constitute a debt of the district, nor a legal or equitable charge, lien or encumbrance upon any of its property or upon any of its income, receipts or revenues, except the revenues of the enterprise for the improvement of which the same are authorized. No taxes shall ever be levied or collected by the district for the payment of any

of the revenue bonds or the interest thereon, nor shall any property of the district be subject to forfeiture therefor, but all revenues of the enterprise legally available for the payment of the revenue bonds shall be applied to such payment. The revenue bonds, if authorized, shall be special obligations of the district and shall be secured by a pledge of and shall be a charge upon and shall be payable, as to the principal thereof, interest thereon and any premiums upon the redemption of any thereof, solely from and secured by a lien upon the gross revenues of the enterprise, and all of the gross revenues of the enterprise, including the revenues of the improvements and all other improvements, additions and extensions thereto heretofore or hereafter constructed or acquired, shall be pledged and assigned as security for the revenue bonds; provided that if the interest on and principal of the revenue bonds and all charges to protect or secure them are paid when due (including all sums required for sinking funds, redemption funds, reserve funds or other funds created for the better securing of the revenue bonds), an amount for the necessary and reasonable maintenance and operation costs of the enterprise (which costs include the reasonable expenses of management, repair and other expenses necessary to maintain and preserve the enterprise in good condition and working order) may be apportioned from said revenues, and, subject to any limiting covenants in the resolution of the board providing for the issuance of the revenue bonds, the remaining surplus may be used for any lawful purpose of the district; provided further, that the principal of and interest on the revenue bonds and all sums for security funds which may be

established by the board in said resolution shall be paid from said revenues prior to paying the maintenance and operation costs of the enterprise. The board may, subject to the provisions of the law and the limitations in said resolution, provide for the issuance of additional revenue bonds for the purpose of acquiring or constructing additional improvements to the enterprise, or any extensions or additions thereto, or any combination of such purposes, on a parity with the revenue bonds.

Section 4. The board does hereby submit to the qualified voters of the district at the election the measure, and designates and refers to the measure as the form of measure to be used at the election.

(a) The election shall be held and conducted, and the votes thereat canvassed and the returns thereof made, and the result thereof ascertained and determined as herein provided; and in all particulars not prescribed by this resolution the election shall be held according to the provisions of law governing elections in the district.

(b) The polls at the polling place, hereinafter designated shall be opened at 7:00 o'clock A.M. on said day of election and shall be kept open continuously thereafter until 8:00 o'clock P.M. of said day of election, when the polls shall be closed (except as provided in Section 14436 of the Elections Code), and the election officers shall thereupon proceed to canvass the ballots cast thereat.

(c) The election hereby called shall be and is hereby consolidated with the State of California General Election to be held in the district on November 2, 1976,

all as required by and pursuant to law. That portion of San Luis Obispo County general election precinct Avila 1 (comprising in sum the entire area of the district) is hereby established as a special district election precinct, comprising in sum the entire area of the district, and the election is hereby consolidated as to that portion of said San Luis Obispo County general election precinct which is conterminous with said special district election precinct.

Within the district affected by such consolidation, the election precinct, polling place and officers of election for the election hereby called shall be the same as those to be selected and designated by the Board of Supervisors of San Luis Obispo County for said General Election and to be set forth in the notice of election officers and polling places for said General Election to be published by the County Clerk of San Luis Obispo County, as required by law, to which notice reference is hereby specifically made for a designation of the precinct, polling place, and election officers of the election hereby called. Only qualified voters of the district shall be permitted to vote at the election. The Board of Supervisors of said County is authorized to canvass, or cause to be canvassed, the returns of the election with respect to the votes cast in the district and to certify the results to the board.

(d) On the ballots to be used at said General Election and the election hereby consolidated therewith, in addition to all other matters required by law to be printed thereon, shall appear the measure set forth in Section 1 hereof.

Each voter to vote for the measure hereby submitted and for authorizing the issuance of the revenue bonds shall punch the ballot card opposite the word "Yes", and to vote against the measure hereby submitted and against authorizing the issuance of the revenue bonds shall punch the ballot card opposite the word "No". Absent voter ballots setting forth said measure shall be issued to qualified electors residing within the district entitled thereto, in the manner provided by law, and such absent voter ballots shall likewise be canvassed, or cause to be canvassed, by the Board of Supervisors of said County.

(e) The board shall meet at its usual place of meeting at the hour of 7:30 O'clock P.M. on Monday, November 9, 1976, being the first Monday after the election, to review the canvass of the returns of the election and to declare the result of the election.

Section 5. The Secretary of the board is hereby directed, upon the passage and adoption of this resolution, to post certified copies of the same in three public places in the district for two (2) succeeding weeks, and to publish a copy of the same once a week for two weeks in the Avila Beach Courier. No other notice of the election hereby called need be given.

Section 6. This resolution shall be forthwith entered upon the minutes of the board and shall take effect immediately upon adoption.

PASSED AND ADOPTED this 3rd day of August, 1976,
by the following vote:

AYES: Directors Ellis, Phelan, Moskieru

NOES: Reichman

ABSENT: Febbri

ATTEST:

Mary K. Grant
Secretary of the Board of Directors
of Avila Beach County Water District

Marshall C. Ellis
President of the Board of Directors
of Avila Beach County Water District