

AVILA BEACH COUNTY WATER DISTRICT
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

PRESENT: Directors Jim Cummings, Marshall Ellis, Gladys Misakian,
Floyd Newton and Evelyn Phelan

ABSENT: None

March 3, 1987

RESOLUTION APPROVING PROJECT
AND NEGATIVE ENVIRONMENTAL
DETERMINATION

87-2

BE IT RESOLVED by the Board of Directors of Avila Beach County

Water District as follows:

1. The Board of Directors makes the following findings:

A. The District's engineer has prepared and submitted to the District an "Environmental Description Form" for a project for supplemental water supply for the Town of Avila, from a well or wells located on property at the northeast corner of See Canyon Road and San Luis Drive, which is hereinafter called "the project."

B. In connection with the project, the District's engineer also submitted a proposed environmental impact assessment and negative declaration, pursuant to Section 6.1, et seq. of the District's environmental guidelines.

C. The District's staff consulted with and sought to obtain comments from agencies having jurisdiction by law and persons having special expertise with respect to any environmental impact involved in the project, as required by Section 6.4 of said guidelines.

D. On March 3, 1987, after notice of hearing as required by Public Resources Code § 21092, said notice consisting of publication and posting of notice, a public hearing was held at which time all interested persons were given the opportunity to present oral or written testimony for or against said project and the adoption of negative declaration therefor, and the Board of Directors having duly considered said testimony and comments.

2. The project is hereby approved.

3. The Board of Directors hereby determines that the project will

together with a UCC-1 Financing Statement covering said equipment, on behalf of the District in favor of Security Pacific Merchant Banking Group.

3. All officers and employees of the District are authorized and directed to make such payments, execute such further documents, and perform such other acts as are necessary to carry out the terms of the Agreement and to the consummation of the transaction contemplated by the Agreement.

4. The District does not reasonably anticipate that more than \$10,000,000 of "qualified tax exempt obligations" (as that term is defined in Internal Revenue Code § 265(b)(3)(D), as amended by the Tax Reform Act of 1986, will be issued by it and any subordinate entities during 1987.

5. The District agrees that pursuant to tax legislation, and in accordance with said Internal Revenue Code Section, it will by resolution designate this transaction as comprising a portion of the \$10,000,000 in aggregate issues to be designated as "qualified tax exempt obligations" eligible for the exemption contained in said Internal Revenue Code Section, which allows for an exception to the general rule of the Code which provides for a total disallowance of a deduction for interest expense allocatable to the carrying of tax exempt obligations.

On motion of Director Gladys Misakian, seconded on Director Evelyn Phelan and on the following roll call vote, to-wit:

AYES: James Cummings, Marshall Ellis, Gladys Misakian, Floyd Newton
and Evelyn Phelan

NOES: None

ABSENT: None

The foregoing Resolution was adopted.



Carolee Fisher
CAROLEE FISHER, Secretary

Marshall C. Ellis
MARSHALL C. ELLIS, President

APPROVED AS TO FORM:

Stephen N. Cool
STEPHEN N. COOL, Attorney for
District