

RESOLUTION NO. 3-10-917

RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST BASIN MUNICIPAL WATER DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM

WHEREAS, the Board of Directors (the "Board") of the West Basin Municipal Water District (the "District"), a municipal water district duly organized and existing under and by virtue of the laws of the State of California (the "State") proposes to enter into a commercial paper program through the West Basin Financing Corporation (the "Corporation");

WHEREAS, to implement the proposed commercial paper program, the Board of Directors of the Corporation proposed to adopt a resolution (the "Corporation Resolution") providing for the execution and delivery of West Basin Municipal Water District Commercial Paper Certificates (the "Commercial Paper Certificates"); and

WHEREAS, in order to secure the Commercial Paper Certificates, the District has determined to issue in fiscal year 2009-2010 tax and revenue anticipation notes in the aggregate principal amount of \$28,000,000 (the "Notes"), pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code on the terms set forth herein.

NOW, THEREFORE, the Board of Directors of the West Basin Municipal Water District does hereby resolve as follows:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

"Authorizing Law" means Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code.

"Bonds" has the meaning set forth in the Installment Purchase Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

"Contracts" has the meaning set forth in the Installment Purchase Agreement.

"Corporation" means the West Basin Financing Corporation, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California.

"District" means the West Basin Municipal Water District.

"Installment Purchase Agreement" means the Installment Purchase Agreement, dated as of March 1, 2008, by and between the District and the Corporation.

“Manager” means either the General Manager of the District, or any other person designated by the Manager to act on behalf of the Manager.

“Net Revenues” has the meaning set forth in the Installment Purchase Agreement, dated as of March 1, 2008, by and between the District and the Corporation.

“Notes” means the West Basin Municipal Water District 2009-2010 Tax and Revenue Anticipation Notes to be issued hereunder.

“Regulations” means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

Section 2. Issuance of the Notes; Amount; Terms; Interest Rate; Place of Payment; Use of Proceeds.

Pursuant to the Authorizing Law, the Notes shall be issued in an aggregate principal amount of \$28,000,000, which when added to the interest payable thereon will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the water system of the District which will be available for the payment of the Commercial Paper Certificates and the interest thereon. A certificate of the Manager certifying to such effect, in the form attached hereto as Exhibit B, shall be completed on or prior and as a condition to, the delivery of the Notes. The Notes shall be designated “West Basin Municipal Water District 2009-2010 Tax and Revenue Anticipation Notes” and shall be dated the date of issuance thereof. The Notes shall be payable at the office of the District at such times and in such amounts as set forth in the Notes. The Notes shall mature and be payable no later than October 1, 2010. The Notes shall bear a rate of interest which shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to interest accruing with respect to the Commercial Paper Certificates outstanding on such date and shall be payable in accordance with the form of the Notes.

The Notes shall be prepayable in whole or in part on any day on which the Corporation notifies the District that the principal with respect to the Commercial Paper Certificates are due and payable and that the District declines to cause additional Commercial Paper Certificates to be sold to repay such maturing Commercial Paper Certificates.

The proceeds of the Note will be used for District purposes, including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

Section 3. Execution of the Notes. The Manager is hereby authorized and directed to sign the Notes, by such officer’s manual, printed, lithographed or facsimile signatures.

Section 4. Form of the Notes. The Notes shall be issued in substantially the form set forth in Exhibit A, attached hereto and incorporated herein and may be issued in typewritten form.

Section 5. Payable from Net Revenues. The obligation of the District to make payments of principal of and interest on the Note is a general obligation of the District payable solely from Net Revenues and on a parity with payments there from with respect to Contracts and Bonds. The

District hereby pledges Net Revenues of the District to the payment of the principal of and interest on the Note, subject to the pledge securing Contracts and Bonds. The Note does not constitute a debt of the District or the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Section 6. Certified Copies. The Secretary of the Board shall provide a certified copy of this document to the Manager, who shall take such action as shall be necessary to assure compliance by the District with the terms and conditions hereof.

Section 7. Effective Date. This resolution shall take effect immediately.

ADOPTED, SIGNED AND APPROVED this 22nd day of March, 2010.

President of the Directors
West Basin Municipal Water District

(SEAL)

ATTEST:

Secretary of the Board of Directors of
West Basin Municipal Water District

w:westbasinboard/resos/wb917

STATE OF CALIFORNIA)
) SS
COUNTY OF LOS ANGELES)

I, Charlene Jensen, Secretary of the Board of Directors of the West Basin Municipal Water District, DO HEREBY CERTIFY that the foregoing Resolution being No. 3-10-917, was adopted at a regular Board Meeting on March 22, 2010, of said District by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary of the Board of Directors

EXHIBIT A

WEST BASIN MUNICIPAL WATER DISTRICT 2009-2010 TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the West Basin Municipal Water District acknowledges itself indebted to and promises to pay to West Basin Financing Corporation \$28,000,000 in lawful money of the United States of America, on October 1, 2010, together with interest thereon at the offices of the District in like lawful money from the date hereof until payment in full of said principal sum. Interest on the Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of the Note outstanding on such day will be equal to interest accruing with respect to the Commercial Paper Certificates (as defined in Resolution No. [_____] adopted by the Board of Directors of the District on March 22, 2010 (the "Resolution")) outstanding on such day. Interest on the Note shall be payable on any date on which interest is payable with respect to the Commercial Paper Certificates. The Notes shall be prepayable in whole or in part on any day on which the Corporation notifies the District that the principal with respect to the Commercial Paper Certificates are due and payable and that the District declines to cause additional Commercial Paper Certificates to be sold to repay such maturing Commercial Paper Certificates.

The proceeds of the Note will be used for District purposes, including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or laws of the State of California.

The Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the water system of the District for the fiscal year 2009-2010 and which are lawfully available for the payment of current expenses and other obligations of the District. The obligation of the District to make payments of principal and interest on the Note is a general obligation of the District and is payable solely from Net Revenues on a parity with payments therefrom with respect to Contracts and Bonds. The Note does not constitute a debt of the District or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the West Basin Municipal Water District has caused this Note to be executed by the manual or facsimile signature of the President of the Board of Directors and the General Counsel or the General Counsel's designee, all as of the 22nd day of March, 2010.

WEST BASIN MUNICIPAL WATER DISTRICT

By: _____

APPROVED AS TO FORM:

By: _____
General Counsel

EXHIBIT B

\$28,000,000

WEST BASIN MUNICIPAL WATER DISTRICT
2009-2010 TAX AND REVENUE ANTICIPATION NOTE
CERTIFICATE AS TO UNCOLLECTED TAXES,
INCOME, REVENUE, CASH RECEIPTS AND OTHER MONEY

The undersigned hereby certifies that the principal amount of the \$28,000,000 2009-2010 Tax and Revenue Anticipation Note and interest payable thereon issued pursuant to a Resolution of the Board of Directors of the West Basin Municipal Water District (the "District"), adopted on March 22, 2010, does not exceed 85 percent of the estimated amount of the uncollected taxes, income, revenue, cash receipts, and other moneys of the District which will be available for the payment of such Notes and the interest thereon, all as set forth on Exhibit A hereto.

Dated: March 22, 2010

WEST BASIN MUNICIPAL WATER DISTRICT

General Manager