

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 78-5

RESOLUTION OF THE BOARD OF DIRECTORS OF LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT CALLING A SPECIAL REVENUE BOND ELECTION FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS OF THE DISTRICT THE MEASURE OF ISSUING REVENUE BONDS IN THE PRINCIPAL AMOUNT OF \$4,930,000 TO PROVIDE FUNDS FOR THE ACQUISITION OF THE EXISTING PRIVATELY-OWNED WATER SYSTEM NOW SERVING THE DISTRICT; DECLARING THE ESTIMATED COST OF SAID ACQUISITION, 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; CONSOLIDATING SAID ELECTION WITH THE STATE OF CALIFORNIA DIRECT PRIMARY ELECTION TO BE HELD ON JUNE 6, 1978; AND PROVIDING FOR NOTICE OF SAID ELECTION

WHEREAS, the Board of Directors (the "Board") of Lake Arrowhead Community Services District (the "District") has duly determined that the public interest and necessity demand the acquisition of the existing privately-owned water system now serving the District (the "water system") and has further duly determined that the acquisition of the water system should be financed by the issuance of revenue bonds

under the Revenue Bond Law of 1941 (the "Law");

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Lake Arrowhead Community Services District, as follows:

Section 1. A special revenue bond election (the "election") is hereby ordered and will be held in the District on Tuesday, June 6, 1978, at which election shall be submitted to the qualified voters of the District the question of issuing revenue bonds (the "revenue bonds") under the Law for the purpose of providing funds for the acquisition of the water system, as set forth in the following measure (the "measure"), to wit:

<u>MEASURE ():</u> (Water System Acquisition - Revenue Bonds)	Shall Lake Arrowhead Community Services District issue revenue bonds in the principal amount of \$4,930,000 pursuant to the Revenue Bond Law of 1941 to provide funds for the acquisition of the existing privately-owned water sytem now serving the District, comprising a water supply and distribution system including water supply sources and water mains and services and water storage tanks, together with necessary pipes, pumps, machinery, lands, easements and rights-of-way therefor, and other works, properties or structures necessary or convenient for the acquisition of the existing privately-owned water system now serving the District?
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Section 2. (a) The estimated cost of the acquisition of the water system is \$4,930,000 and the principal amount of the revenue bonds proposed to be issued therefor is \$4,930,000.

(b) Said estimated cost includes all costs and estimated costs incidental to or connected with the acquisition of the water system, 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. The enterprise is hereby defined to be the whole and each and every part of the water system, and all facilities and improvements heretofore or hereafter acquired or constructed for the water system, and all additions, betterments, extensions and improvements to the water system or any part thereof heretofore or hereafter made or acquired or constructed by contract, purchase, condemnation or otherwise for said purpose. It is hereby found and determined (i) that the District does not now own or operate a water system; (ii) that the water system when acquired as described in the measure will constitute a complete water system for the District; (iii) that the public interest and necessity require the acquisition by the District of the water system; (iv) that the water system as acquired will be operated as a single unified water system; (v) that the Board has no means of financing the cost of the acquisition of the water system except by the issuance and sale of the revenue bonds; (vi) that the net revenues from the water system shall be pledged to the payment of the revenue bonds; (vii) that the water system will constitute a complete water system for the District; and (viii) that the acquisition of the water system is 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 net revenues of the enterprise for the acquisition 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 net revenues of the enterprise for the acquisition 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 net 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 net revenues of the enterprise, and all of the net revenues of the enterprise, including the revenues of all additions, betterments, extensions and improvements thereto heretofore or hereafter constructed or acquired, shall be pledged and assigned as security for the revenue bonds. If 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) are paid when due and 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), the remaining surplus may (subject to any limiting covenants in the resolution of the Board providing for the issuance of the revenue bonds) be used for any lawful purpose of the District; provided that all maintenance and operation costs of the enterprise shall be paid from said revenues prior to paying 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. 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 improvements to the enterprise,

or any additions, betterments or extensions thereto, or any combination of such purposes, on a parity with the revenue bonds, or subject to such limitations as the Board may specify at the time of the issuance of 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 places 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 14301 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 Direct Primary Election to be held in the District on June 6, 1978, all as required by and pursuant to law. The whole or those portions of each of the San Bernardino County general election precincts comprising in sum the entire area of the

District are hereby each established as special district election precincts, comprising in sum the entire area of the District, and the election is hereby consolidated as to the whole or those portions of each of said San Bernardino County general election precincts which are coterminous with said special district election precincts. The election precincts, polling places 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 Bernardino County for said Direct Primary Election and to be set forth in the notice of election officers and polling places for said Direct Primary Election to be published by the Registrar of Voters of San Bernardino County, as required by law, to which notice reference is hereby specifically made for a designation of the precincts, polling places, 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 San Bernardino County is authorized to canvass, or cause to be canvassed, the returns of the election with respect to the votes cast in the District on the measure and to certify the results to the Board.

(d) On the ballots to be used at said Direct Primary 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 caused 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 Tuesday, June 13, 1978, being the first Tuesday 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 Mountain News and the Timberline Journal. 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 16th day of March, 1978,
by the following vote:

AYES: Directors Furness, Leo, Pearce, Vernon, Wagner

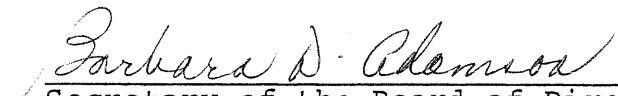
NOES: none

ABSENT: none



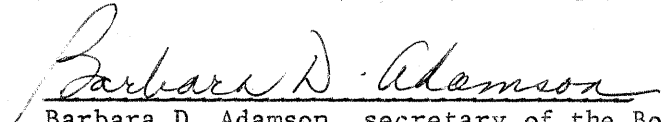
President of the Board of Directors of
Lake Arrowhead Community Services District

ATTEST:



Secretary of the Board of Directors of
Lake Arrowhead Community Services District

I, Barbara D. Adamson, secretary of the Board of Directors of the Lake Arrowhead Community Services District of San Bernardino County, California, hereby certify the foregoing to be a full, true, and correct copy of the record of action taken by said Board of Directors by vote of the members present, as the same appears in the official minutes of said Board at its meeting of March 16, 1978.



Barbara D. Adamson, secretary of the Board
of Directors, Lake Arrowhead Community
Services District