

**RESOLUTION NO. \_\_\_\_\_**  
**OF THE BOARD OF DIRECTORS OF**  
**NEVADA COUNTY SANITATION DISTRICT NO. 1**

**RESOLUTION DESIGNATING THE DEDICATED SOURCE OF REVENUE FOR A  
STATE REVOLVING FUND LOAN TO CONVERT THE CASCADE SHORES WWTP  
TO A COMMUNITY LEACH FIELD IMPROVEMENT PROJECT – DISTRICT 1**

WHEREAS, the Nevada County Sanitation District No. 1 (the "District") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the District intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (the "State Water Board"); and

WHEREAS, prior to the approval by the State Water Board of the Project Funds the District desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Zone; and

WHEREAS, the District has determined that any moneys advanced from the Zone for Expenditures on and after the date hereof are available only for a temporary period and it is necessary to reimburse the Zone for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors for Nevada County Sanitation District No. 1:

The District hereby dedicates and pledges net revenues from the Zone 8 – Cascade Shores fund to payment of any and all Clean Water State Revolving Fund and/or Water Recycling Funding Program financing for CWSRF # 8077 converting the Cascade Shores WWTP into a Community Leach Field Improvement Project. NCSD No. 1 commits to collecting such revenues and maintaining such funds throughout the term of such financing and until the District has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. So long as the financing agreements are outstanding, the District's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing funds and revenues without any further action necessary. So long as the financing agreements are outstanding, the District commits to maintaining the funds and revenues at levels sufficient to meet its obligations under the financing agreements.

**CERTIFICATION**

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Nevada County Sanitation District No. 1 Board of Directors held on 06-14-2016.

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*(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)*