

RESOLUTION 8457

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
PERTAINING TO THE REIMBURSEMENT FROM BOND PROCEEDS OF
CAPITAL EXPENDITURES FOR VARIOUS WATER PROJECTS

WHEREAS, The Metropolitan Water District of Southern California ("**Metropolitan**") desires and intends to finance certain construction costs relating to the projects listed on Exhibit A (each a "**Project**" and, collectively, the "**Projects**");

WHEREAS, Metropolitan expects to issue debt to finance the costs of the Projects on a permanent basis (the "**Debt**");

WHEREAS, Metropolitan expects to expend moneys (other than moneys derived from the issuance of bonds) on expenditures relating to the costs of the Projects prior to the issuance of the Debt, which expenditures will be properly chargeable to a capital account under general federal income tax principles;

WHEREAS, Metropolitan reasonably expects to reimburse certain of such capital expenditures with the proceeds of the Debt;

WHEREAS, Metropolitan expects that the maximum principal amount of Debt which will be issued to pay for the costs of each Project (and related issuance costs) will not exceed the amounts listed on Exhibit A;

WHEREAS, at the time of the reimbursement for each Project, Metropolitan will evidence such reimbursement in a writing which identifies the allocation of the proceeds of the Debt to Metropolitan for the purpose of reimbursing Metropolitan for the capital expenditures made with respect to such Project prior to the issuance of the Debt;

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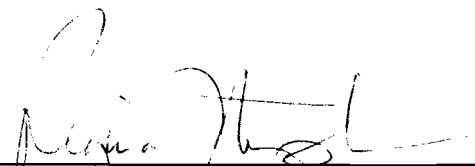
WHEREAS, Metropolitan expects to make each of the reimbursement allocations no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure for the relevant Project is paid or (ii) the date on which such Project is placed in service (or abandoned), but in no event later than three (3) years after the date on which the earliest original expenditure for the relevant Project is paid;

WHEREAS, Metropolitan will not, within one (1) year of any reimbursement allocation, use the proceeds of the Debt received in the reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Debt or another issue (e.g., Metropolitan will not pledge or use the proceeds received for the payment of debt service on the Debt or another issue, except that the proceeds of the Debt can be deposited in a bona fide debt service fund); and

WHEREAS, this Resolution is intended to be a "declaration of official intent" in accordance with Section 1.150-2 of the Treasury Regulations.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA DOES HEREBY RESOLVE, that in accordance with Section 1.150-2 of the Treasury Regulations, Metropolitan declares its intention to issue Debt in a principal amount not to exceed the amounts listed on Exhibit A, the proceeds of which will be used to pay for the costs of the Projects (and related issuance costs), including the reimbursement to Metropolitan for certain capital expenditures relating to the Projects made prior to the issuance of the Debt.

I HEREBY CERTIFY, that the foregoing resolution was adopted by the Board of Directors of The Metropolitan Water District of Southern California on October 11, 1994.



Secretary of the Board of Directors
of The Metropolitan Water District
of Southern California

EXHIBIT A

PROJECTS WHICH MAY BE REIMBURSED WITH PROCEEDS
FROM THE SALE OF TAX-EXEMPT DEBT

PROJECT	ANTICIPATED BOND ISSUANCE AMOUNT
Inland Feeder Pipeline	\$ 925 million
Oxidation Retrofit at Treatment Plants	\$ 575 million
Colorado River Aqueduct Projects	\$ 385 million
Purchase of the Santa Margarita Pipeline	\$ 115 million
Purchase of Allen-McColloch Pipeline	\$ 130 million
Domenigoni Valley Reservoir	\$ 1,850 million
Los Angeles Headquarters-Union Station	\$ 100 million
TOTAL	\$ 4,080 million