

THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA

ORDINANCE 149

ORDINANCE OF THE BOARD OF DIRECTORS
OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
DETERMINING THAT THE INTERESTS OF THE DISTRICT REQUIRE THE USE OF
REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$500,000,000 TO
FUND A PORTION OF CAPITAL INVESTMENT PLAN EXPENDITURES

WHEREAS, pursuant to Chapter 1.6 of Part 5 of the Metropolitan Water District Act (California Statutes 1969, Chapter 209, as amended, hereinafter sometimes referred to as the "Act"), the Board of Directors of The Metropolitan Water District of Southern California (the "District"), on March 12, 1974, adopted Ordinance No. 126, calling a special election to be held within the District on June 4, 1974, for the purpose of submitting to the qualified voters of said District the following proposition:

To permit use of long-term bonds backed by water revenues as an alternative to pay-as-you-go financing, shall the Board of Directors of the Metropolitan Water District of Southern California be authorized to issue and sell revenue bonds under Chapter 1.6, Part 5, Metropolitan Water District Act?

WHEREAS, said election was duly and regularly held and said proposition received the affirmative vote and assent of a majority of all of the qualified voters of the District voting on said proposition, and therefore the Board of Directors is authorized to issue and sell revenue bonds under said Chapter 1.6 of Part 5 of the Act;

WHEREAS, the Board has adopted a resolution in July 2015 authorizing the reimbursement with bonds proceeds of the costs of Capital Investment Plan Projects funded from the General Fund and the Replacement and Refurbishment Fund up to \$300 million;

WHEREAS, the Board has approved a biennial budget for fiscal year (FY) 2014/15 and FY 2015/16, containing Capital Investment Plan ("CIP") expenditures of \$268 million for FY 2015/16;

WHEREAS, the District desires and expects to finance certain construction costs relating to its FY 2015/16 CIP Projects;

WHEREAS, the Board has approved a Ten-Year Financial Forecast for FY 2014/15 through 2023/24, containing CIP expenditures of \$275 million for FY 2016/17 and \$281 million for FY 2017/18;

WHEREAS, capital projects have been funded from the General and Replacement and Refurbishment Funds, of which \$264 million was used to purchase land in Palo Verde Valley pursuant to the Board's approval in July 2015;

WHEREAS, ongoing drought conditions present significant uncertainties regarding future financial operations and financial reserve balances;

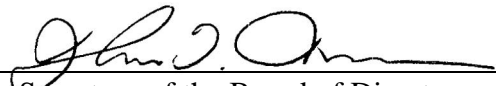
WHEREAS, using debt to fund a greater portion of capital projects will provide Metropolitan with additional financial flexibility to fund water management activities such as replenishing storage and funding transfer and exchange programs; and

WHEREAS, this Ordinance was introduced at the adjourned regular meeting of the Board held on September 22, 2015;

NOW, THEREFORE, the Board of Directors of the District, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

The interests of The Metropolitan Water District of Southern California require the use of revenue bonds in the aggregate principle amount of \$500,000,000 to fund a portion of the District's CIP expenditures, the cost of which is too great to be paid out of the ordinary annual income and revenue of the District.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of an Ordinance adopted by a two-thirds (2/3) vote of the total vote of the Board of Directors of The Metropolitan Water District of Southern California at its meeting held on October 13, 2015.


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