

**THE METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA**

**RESOLUTION 9231**

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**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA  
AUTHORIZING DISTRICT'S FINANCIAL PARTICIPATION IN THE CALIFORNIA  
WATERFIX  
AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE,  
EXECUTE AND DELIVER VARIOUS FINANCING IMPLEMENTATION  
AGREEMENTS AND RELATED DOCUMENTS**

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The Board of Directors of The Metropolitan Water District of Southern California (the "Board") hereby finds that:

1. The California Department of Water Resources ("DWR") has proposed the construction of the California WaterFix, which consists of the construction of three new intakes on the east bank of the Sacramento River in the northern California Delta, tunnels connecting these intakes to a new, 30-acre intermediate forebay, and two 30-mile long tunnels carrying water from this forebay to a new pumping plant connected to an expanded and modified Clifton Court Forebay; and

2. Various participants in the California State Water Project and in the Central Valley Project (the "Project Participating Members") have proposed assisting DWR in the financing and construction of California WaterFix, among others, in the following ways (collectively, the "CWF Project Arrangements"):

- (a) The Project Participating Members have proposed forming a joint powers authority (the "Construction JPA") that would undertake the construction of the California WaterFix through a contract with DWR;
- (b) The Project Participating Members have proposed forming a joint powers authority (the "Financing JPA") that would facilitate the issuance of revenue bonds by DWR (the "DWR Bonds") through different actions, including (without limitation) through the issuance of bonds of its own (the "Financing JPA Bonds") directly or indirectly supported by the DWR Bonds; and
- (c) The Project Participating Members have proposed supporting the Financing JPA Bonds by protecting the purchasers of such bonds from the risk of nonpayment or invalidity of DWR Bonds through various agreements (any such agreement, a

“support agreement”), including, without limitation, in the form of debt service support agreements, or through the purchase by the Project Participating Members of DWR Bonds or other property through installment purchase agreements; and

3. The District’s participation allocation in the State Water Project under the State Water Contracts (determined by reference to Table A of such State Water Contracts) equals 47% of the state water contractor share of the project or 25.9% of the total project costs; and

4. The Board of Directors of the District desires to authorize the General Manager of the District to negotiate, execute, and deliver financing agreements and documents, in addition to the formation of the Financing JPA, to effect the District’s financial participation in the CWF Project Arrangements, consistent with the District’s Table A allocation; provided, however, the District’s direct financial participation in the CWF Project Arrangement shall not exceed 25.9% of the estimated overall \$16.7 billion total capital cost, in 2017 dollars, of the California WaterFix, said 25.9% amounting to \$4.3 billion in 2017 dollars (provided, however, that for all purposes of this Resolution and all of the limitations contained in this Resolution, any payments that the District would otherwise pay under its State Water Contract are not included in that participation);

NOW, THEREFORE, the Board of Directors (the “Board”) of The Metropolitan Water District of Southern California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

**1. Approval of the District’s Financial Participation in California WaterFix.** Each of the above recitals is true and correct and is adopted by the Board. The Board hereby authorizes and approves the District’s participation in the financing of the California WaterFix, as set forth in more detail in this Resolution; provided that the District’s participation in any financing of the California WaterFix shall not exceed 25.9% of the \$16.7 billion estimated total capital costs of the project (\$4.3 billion in 2017 dollars).

**2. Authorization of General Manager.** The Board hereby authorizes the General Manager of the District, and any of the designees of the General Manager of the District, to do any and all things necessary or convenient in the best interests of the District to effect any financing of the California WaterFix through the Financing JPA (referred to herein as a “District Participation Action”) consistent with the CWF Project Arrangements, and to enter into any and all agreements and documents that the General Manager or his designee determines, in his or her sole discretion, to be necessary or convenient in the best interests of the District to carry out any District Participation Action, and to execute all papers, documents, certificates, agreements or other instruments that may be required in order to carry out any District Participation Action or to evidence said authority and its exercise; provided, however, that the District shall not make financial commitments to the California WaterFix in excess of \$4.3 billion in 2017 dollars, which amounts to 25.9% of the estimated \$16.7 billion in total capital costs of the California WaterFix. The term of bonds issued for the project shall not exceed 40 years and the total interest cost on debt issued will not exceed 8%. In implementing these actions, the General Manager of the District shall be authorized to use such reasonable assumptions, methods, approaches and calculations that it believes, in good faith, to be consistent with the authorizations herein and necessary to the implementation of the matters provided for in this Resolution.

3. **Severability.** If any provision of this Resolution is held invalid, that invalidity shall not affect other provisions of this Resolution which can be given effect without the invalid portion or application, and to that end the provisions of this Resolution are severable.

**I HEREBY CERTIFY** that the foregoing is a full, true and correct copy of a Resolution adopted by the affirmative votes of members representing more than 50 percent of the total number of votes of all members of the Board of Directors of The Metropolitan Water District of Southern California at its meeting held on October 10, 2017.



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