



RESOLUTION NO. 815

RESOLUTION OF THE BOARD OF DIRECTORS OF IDYLLWILD WATER DISTRICT ADOPTING A DEBT POLICY

WHEREAS, Idyllwild Water District (the "District") is duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, on September 12, 2016, the Governor of the State of California signed into law Senate Bill No. 1029 ("SB 1029") which is codified in California Government Code Section 8855; and

WHEREAS, pursuant to California Government Code Section 8855, as amended by SB 1029, state and local governments are required to certify to the California Debt and Investment Advisory Commission on their report of proposed debt issuance submitted prior to the sale of any debt that they have adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those debt policies; and

WHEREAS, the Board of Directors of the District (the "Board") now desires to adopt a debt management policy (the "Policy"), as shown in the attached Exhibit "A" hereto and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Idyllwild Water District as follows:

Section 1. The recitals set forth above are true and correct and the Board so finds and determines.

Section 2. The Board hereby adopts the Policy as set forth in Exhibit A attached hereto and incorporated herein by this reference.

Section 3. This Resolution shall take effect immediately upon its passage.

PASSED APPROVED AND ADOPTED this 17th day of June, 2026, by the following vote:

AYES: Director Olson, Director Stamper, Director Davis, Vice President Priefer,
President Schelly

NOES:

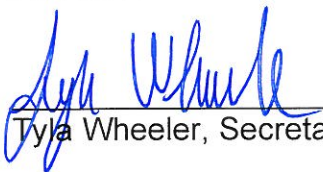
ABSTAIN:

ABSENT:



Dr. Charles Schelly,
Board President

ATTEST:



Tyla Wheeler, Secretary to the Board



EXHIBIT A

DEBT POLICY

[ATTACHED]



IDYLLWILD WATER DISTRICT DEBT MANAGEMENT POLICY

I. INTRODUCTION

The purpose of this debt management policy (the "Policy") is to establish and maintain parameters for the Idyllwild Water District (the "District") debt issuances and is intended to comply with California Government Code Section 8855(i). The Policy shall govern all debt issued by the District.

II. SCOPE

The guidelines established by this Policy will govern the issuance and management of all debt funded for long-term and short-term financing needs and not for general operating functions. When used herein, "debt" refers to all forms of indebtedness, including but not limited to, bonds, notes, loans, certificates of participation, lines of credit, installment sale agreements, and lease obligations.

The District recognizes that changes in the capital markets and other unforeseen circumstances may require action that deviates from this Policy. In cases that require exceptions to this Policy, approval from the Board of Directors (the "Board") is necessary for implementation.

III. PURPOSES FOR WHICH DEBT PROCEEDS BY BE USED

Long-term debt may be issued to finance or refinance the acquisition of land and/or easements, the capital costs of planning, pre-design, construction, acquisition and rehabilitation of capital improvements and facilities, equipment acquisition, and other costs as permitted by law. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized. Debt may only be issued under the Board's authorization and when the District has identified sufficient funds to pay the obligation of principal and interest. No debt shall be issued with a maturity date greater than the expected useful life of the facilities or improvements being financed.

IV. TYPES OF DEBT THAT MAY BE ISSUED

Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and the laws of the State of California (the "State"). The types of debt that may be issued pursuant to this Policy include revenue bonds, general obligation bonds, certificates of participation, loans, lines of credit, notes, special tax bonds, refunding obligations, lease financing obligations, land-secured financings, tax increment financing, state revolving loans, and any other form of debt authorized by law. There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to, bond anticipation notes, grant anticipation notes, and pension obligation bonds. In addition, the District may utilize federal loans or loan guarantees. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why variable rate debt would be beneficial to the District in a specific circumstance.

V. RELATIONSHIP OF DEBT TO CAPITAL BUDGET

The District shall issue debt for the purposes set forth in this Policy and to implement policy decisions incorporated in the District's capital budget and capital improvement plan. The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed.

VI. POLICY GOALS RELATING TO PLANNING GOALS AND OBJECTIVES

The District is committed to following sensible practices in governance, management and budget administration. The District will issue debt for the purposes stated in this Policy and to implement policy decisions incorporated into the District's budget and capital improvement plan. It is a policy goal of the District to utilize conservative financing methods and techniques. The District will comply with applicable State and federal law as it pertains to the maximum terms of debt and the procedures for imposing any related charges.

VII. INTERNAL CONTROL PROCEDURES

When issuing debt, in addition to complying with the terms of this Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment and expenditure of debt proceeds. The District will periodically review the requirements of and remain in compliance with the following: (i) any federal tax compliance requirements; (ii) any State requirements related to debt issuance; (iii) any continuing disclosure undertakings entered into by the District in accordance with Securities and Exchange Commission Rule 15c2-12; and (iv) the District's investment policies as they relate to the use and investment of debt proceeds.

Proceeds of tax-exempt debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission

of one or more written requisitions by the District, or (b) by the District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District. Proceeds of taxable debt may be held by any means which the District determines are convenient or necessary.