

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2002 - 0108**

**APPROVAL, AUTHORIZATION AND DIRECTION OF THE EXECUTION OF CERTAIN
DOCUMENTS AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS FOR THE BENEFIT OF
AND WITH RESPECT TO THE ADMINISTRATION AND FUNDING OF THE CLEAN WATER STATE
REVOLVING FUND AND IN CONNECTION WITH THE ISSUANCE BY THE CALIFORNIA
INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK OF UP TO \$300,000,000 OF ITS
BONDS**

WHEREAS:

1. The United States of America, pursuant to the Federal Water Pollution Control Act, as amended by the Water Quality Act of 1987 (33 U.S.C.A. Section 1251 et seq.) (the "Clean Water Act"), requires each state to establish a water pollution control revolving fund to be administered by an instrumentality of such state as a condition to receipt of capitalization grants under the Clean Water Act; and
2. The State of California (the "State") has, pursuant to Chapter 6.5 of Division 7 (commencing with Section 13475) of the California Water Code, as amended, established a water pollution control revolving fund (the "CWSRF") to be used for purposes of state law and the Clean Water Act; and
3. The State Water Resources Control Board (the "Board") is the State's principal state agency with primary responsibility for the coordination and control of water quality and has the responsibility to administer the CWSRF and to provide financial assistance to municipalities for the construction of eligible projects, all as set forth in state law; and
4. Various local governmental agencies have submitted and are expected to submit to the Board applications for financial assistance for eligible projects; and
5. Such financial assistance is to be accomplished in part by the issuance by the California Infrastructure and Economic Development Bank (the "Bank") of its Clean Water State Revolving Fund Revenue Bonds Series 2002 (the "Bonds") and the sale of the Bonds to Bear, Stearns & Co. Inc., as representative of the underwriters (the "Underwriters"), pursuant to a bond purchase agreement to be entered into by and among the Board, the Treasurer of the State, the Bank and the Underwriters; and
6. It is in the public interest and for the public benefit that the Board enter into certain agreements and perform certain acts described herein; and
7. The federal Environmental Protection Agency requires that the Operating Agreement for Activities and Functions in Managing the State Water Pollution Control Revolving Fund Program between the State of California and the United States Environmental Protection Agency Region IX ("Operating Agreement") be revised to reflect the structure of the issuance of the Bonds;

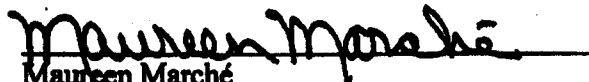
THEREFORE BE IT RESOLVED THAT:

1. The following documents are hereby approved and the Executive Director is hereby authorized and directed on behalf of the Board and in its name to execute and deliver to appropriate entities the following documents in substantially the form of the draft documents, and the Clerk of the Board is hereby authorized to attest to the signature of the officer signing such documents:
 - (a) the proposed form of the Series 2002 Payment and Pledge Agreement (the "Pledge Agreement") between the Board and the Bank;

- (b) the proposed form of the Series 2002 Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the Board and the entity chosen by the Bank to act in a fiduciary capacity for the benefit of the bondholders as Trustee ;
 - (c) the proposed form of the Series 2002 Preliminary Official Statement (the "Preliminary Official Statement"); and
 - (d) the proposed form of the Bond Purchase Agreement.
- 2. The proposed forms of the Master Trust Indenture and the Series 2002 Indenture, by and between the Bank and the Trustee, are hereby approved and the obligations of the Board thereunder are hereby acknowledged and approved.
 - 3. The Executive Director is hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the statutory programs herein mentioned. Such agreements may include, but are not limited to, an Interagency Agreement between the Board and the Bank related to the Board's on-going responsibilities associated with the Bonds (the "Interagency Agreement"), the Operating Agreement, and the Tax Certificate. The Executive Director is hereby authorized to take any and all actions necessary or advisable to carry out the purposes of this Resolution.
 - 4. The distribution by the Underwriters of a Preliminary Official Statement to prospective investors in the Bonds is hereby approved and authorized and any authorized officer of the Board is authorized to execute and deliver a statement that the Preliminary Official Statement is a "deemed final" official statement (except for permitted omissions), by the Board as of its date for purposes of S.E.C. Rule 15c2-12(b)(1). Distribution of such Preliminary Official Statement by the Underwriters is hereby approved. The Executive Director is hereby authorized to execute the Preliminary Official Statement as the final official statement for the Bonds, with such additions thereto or changes therein as may be approved upon consultation and upon consultation with the Board's counsel (the "Final Official Statement"), and the execution of the Final Official Statement by the Board shall be conclusive evidence of the approval of any such additions and changes. The Board hereby authorizes the distribution of the Final Official Statement by the Underwriters. The use and distribution by the Underwriters of a Final or Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby approved and authorized.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on May 28, 2002.


Maureen Marché
Clerk to the Board