



EXHIBIT 16-B

RESOLUTION NO. 2013-05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
APPROVING FORM OF LEGISLATION FOR RATEPAYER RELIEF BONDS
TO FACILITATE A PUBLIC CONTRIBUTION TOWARDS THE MONTEREY
PENINSULA WATER SUPPLY PROJECT DESALINATION FACILITY**

WHEREAS, the Monterey Peninsula Water Management District (MPWMD), by its October 1, 2012 Public Participation Proposal to the California American Water Company (Cal-Am) with respect to the pending California Public Utilities Commission (CPUC) Application No. 12-04-019, proposed to contribute public funds to partially fund the desalination facility component of the Monterey Peninsula Water Supply Project; and

WHEREAS, the MPWMD Public Participation Proposal has been made to significantly reduce costs of the Monterey Peninsula Water Supply Project that would otherwise be borne by Cal-Am ratepayers; and

WHEREAS, the MPWMD advanced its Public Participation Proposal in testimony submitted before CPUC Administrative Law Judge G. Weatherford on February 22, 2013 under A.12-04-019. This submittal detailed the method known as "securitization" that has been used by electric utilities within the State of California. Testimony further characterized the role that Ratepayer Relief Bonds would perform in support of securitization financing; and

WHEREAS, Ratepayer Relief Bonds would result in significant savings to Cal-Am ratepayers on the Monterey Peninsula without causing adverse effects on California American Water Company;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Monterey Peninsula Water Management District that the MPWMD Board has reviewed and approved the form of legislation provided as Attachment 1 hereto, and directs its General Manager to work with Monterey Peninsula legislative representatives to support, sponsor, and enact such legislation into law to enable permanent securitized funding for the desalination facility component of the Cal-Am Monterey Peninsula Water Supply Project.

On a motion by Director _____, and seconded by Director _____, the foregoing resolution is duly adopted this 20th day of May 2013, by the following votes:

AYES:

NAYES:

ABSENT:

I, David J. Stoldt, Secretary of the Board of Directors of the MPWMD, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted on the 12th day of June 2013.

Witness my hand and seal of the Board of Directors, this _____ day of _____, 2013.

David J. Stoldt, Secretary to the Board

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