

**RESOLUTION NO. 2020.20**

**A RESOLUTION OF THE EAST VALLEY WATER DISTRICT AUTHORIZING AND APPROVING THE ISSUANCE OF REFUNDING REVENUE BONDS; APPROVING THE INDENTURE OF TRUST PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED, A DISCLOSURE DOCUMENT, A BOND PURCHASE CONTRACT, ESCROW AGREEMENTS, A CONTINUING DISCLOSURE CERTIFICATE AND OTHER DOCUMENTS IN CONNECTION WITH SUCH BONDS; AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**

**WHEREAS**, the East Valley Water District (the “District”) is a county water district that is duly organized and existing under and by virtue of the laws of the State of California (the “State”);

**WHEREAS**, the District has previously entered into an Installment Purchase Agreement, dated as of October 1, 2010 (the “2010 IPA”), by and between the District and the East Valley Water District Financing Authority (the “Authority”), which supports the payment of debt service on the Authority’s Refunding Revenue Bonds, Series 2010 (the “2010 Bonds”);

**WHEREAS**, the District has previously entered into an Installment Purchase Agreement, dated as of June 1, 2013 (the “2013 IPA”), by and between the District and the Authority, which supports the payment of debt service on the Authority’s Revenue Bonds, Series 2013A (the “2013 Bonds”);

**WHEREAS**, the District is authorized by Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53570) of the Government Code of the State of California to issue bonds to refund outstanding indebtedness of the District;

**WHEREAS**, the District desires to provide for the issuance of refunding revenue bonds in one or more series, on a taxable or tax-exempt basis (the “Bonds”), which will be payable from the Net Revenues of the District’s Water System and Wastewater System, for the purposes of prepaying the 2010 IPA and refunding the 2010 Bonds, prepaying the 2013 IPA and refunding the 2013 Bonds, paying costs of issuance of the Bonds and, if necessary, funding a deposit to (or procuring a letter of credit, insurance policy or other facility (each, a “reserve surety”) to provide for the funding of) a reserve fund for the Bonds;

**WHEREAS**, the Bonds are to be issued under and pursuant to an Indenture of Trust, by and between the District and the trustee named therein (such Indenture of Trust in the form attached hereto as Exhibit B with such changes, insertions and deletions as are made pursuant to this Resolution, the “Indenture”);

**WHEREAS**, the Bonds are to be secured by Revenues of the Water System and Wastewater System to the extent set forth in the Indenture;

**WHEREAS**, J.P. Morgan Securities LLC as underwriter (the “Underwriter”), has submitted a proposal to purchase the Bonds in the form of a Contract of Purchase (such Contract of Purchase, in the form attached hereto as Exhibit C with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the “Purchase Contract”);

**WHEREAS**, in connection with the offering and sale of the Bonds there has been prepared a disclosure document in the form of a Preliminary Official Statement (such Preliminary Official Statement in the form attached hereto as Exhibit D with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

**WHEREAS**, Rule 15c2-12 requires that, in order to be able to purchase or sell the Bonds, the Underwriter must have reasonably determined that an obligated person has undertaken in a written agreement or contract for the benefit of the owners of the Bonds to provide disclosure of certain financial information and operating data and certain enumerated events on an ongoing basis; and

**WHEREAS**, in order to cause such requirement of Rule 15c2-12 to be satisfied, the District desires to enter into a Continuing Disclosure Certificate (such Continuing Disclosure Certificate, in the form appended to the form of the Preliminary Official Statement attached hereto as Exhibit E, with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Certificate”);

**WHEREAS**, in connection with the prepayment of the 2010 IPA and the refunding of the 2010 Bonds, the District desires to enter into an Escrow Agreement (2010 Bonds) with the Authority and the trustee for the 2010 Bonds, as escrow agent (such Escrow Agreement (2010 Bonds), in the form attached hereto as Exhibit F with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the “2010 Escrow Agreement”);

**WHEREAS**, in connection with the prepayment of the 2013 IPA and the refunding of the 2013 Bonds, the District desires to enter into an Escrow Agreement (2013A Bonds) with the Authority and the trustee for the 2013 Bonds, as escrow agent (such Escrow Agreement (2013A Bonds), in the form attached hereto as Exhibit G with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the “2013 Escrow Agreement”);

**WHEREAS**, in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature), which added Section 5852.1 to the California Government Code, the District has obtained from the Underwriter or the District’s financial advisor required good faith estimates relating to the Bonds, and such estimates are disclosed and set forth in Exhibit A hereto;

**WHEREAS**, there have been submitted to this meeting drafts of the following:

- (1) the Indenture;
- (2) the Purchase Contract;
- (3) the Preliminary Official Statement;
- (4) the Continuing Disclosure Certificate;
- (5) the 2010 Escrow Agreement; and
- (6) the 2013 Escrow Agreement; and

**WHEREAS**, after having reviewed and considered the proposal of the Underwriter to purchase the Bonds on the terms and conditions contained in the Purchase Contract, this Board now desires to authorize the issuance and sale of the Bonds, including the execution of such documents and the performance of such acts as may be necessary or desirable to effect such issuance and sale, and the other actions contemplated by this Resolution.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED:**

**SECTION 1. Findings and Definitions.** The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the above recitals and in the preambles of the documents approved herein are true and correct. Capitalized terms that are used herein and not defined have the meanings that are set forth in the Indenture.

**SECTION 2. Indenture.** The Indenture, in substantially the form attached hereto as Exhibit B, and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the President or Vice President of the Board or the General Manager or Chief Financial Officer of the District or the designee thereof (each an “Authorized Officer”), acting singly, is hereby authorized to execute and deliver the Indenture, in the name of and on behalf of the District, in substantially the form attached hereto with such changes, insertions and deletions as may be approved by the Authorized Officer executing the Indenture, said execution being conclusive evidence of such approval, and the Secretary is hereby authorized to attest thereto.

**SECTION 3. Issuance of Bonds.** Subject to the limitations specified in this Resolution, the issuance of the Bonds in one or more series, on a taxable or tax-exempt basis, on the terms and conditions set forth in the Indenture is hereby authorized and approved. The aggregate principal amount of the Bonds shall not exceed \$34,000,000. The Bonds will be dated as provided in, will bear interest at the rates provided in, will mature on the date or dates provided in, will be issued in the form provided in, will have the sinking fund installments specified in, will be subject to redemption as provided in, and will have such other terms as shall be provided in, the Indenture as the same is completed as provided in this Resolution. The Authorized Officer executing the Indenture is hereby authorized, subject to the limitations set forth in this Section 3 and in Section 5, to determine the following: (i) the maturity date or dates of the Bonds; (ii) the principal amount of the Bonds maturing on each maturity date; (iii) the interest rate or rates for the Bonds maturing on each maturity date; (iv) the maturity or maturities, if any, of the Bonds to be redeemed or paid at maturity from sinking fund installments (the “Term Bonds”); (v) the sinking fund installments for the Term Bonds; and (vi) the redemption provisions for the Bonds.

**SECTION 4. Use of Bond Proceeds.** The net proceeds received from the sale of the Bonds shall be applied to such purposes as are set forth in the recitals to this Resolution in the manner provided in the Indenture.

**SECTION 5. Purchase Contract.** The Purchase Contract, in substantially the form attached hereto as Exhibit C, and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each Authorized Officer, acting singly, is hereby authorized to execute and deliver the Purchase Contract, in the name of and on behalf of the District, in substantially the form attached hereto with such changes, insertions and deletions as may be approved by the

Authorized Officer executing the Purchase Contract, said execution being conclusive evidence of such approval, and the Secretary is hereby authorized to attest thereto.

The Authorized Officer executing the Purchase Contract is hereby authorized to determine the purchase price to be paid for the Bonds under the Purchase Contract; provided, however, that the aggregate Underwriter's discount (not including original issue discount) for the Bonds shall be not more than 0.35% of the aggregate principal amount of the Bonds, the true interest cost of the Bonds issued on a tax-exempt basis shall be not more than 2.85%, the true interest cost of the Bonds issued on a taxable basis shall be not more than 3.50%, the present value of the savings to be achieved by refunding the 2010 Bonds shall be not less than 3% and the present value of the savings to be achieved by refunding the 2013 Bonds shall be not less than 4%. The sale of the Bonds to the Underwriter on the terms and conditions contained in the Purchase Contract, as the same may be completed in accordance with the provisions of this Resolution, with such changes, insertions and deletions as are authorized hereby, is hereby approved and authorized.

**SECTION 6. Official Statement.** The Preliminary Official Statement, in substantially the form attached hereto as Exhibit D, and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers, acting singly, is hereby authorized to cause the Preliminary Official Statement to be delivered to the Underwriter, in substantially the form attached hereto as Exhibit D with such changes, insertions and deletions as may be approved by the Authorized Officer delivering the Preliminary Official Statement (including without limitation the insertion of the proposed terms of the Bonds), said delivery being conclusive evidence of such approval. The use of the Preliminary Official Statement in connection with the offering and sale of the Bonds by the Underwriter, including delivery of the Preliminary Official Statement in electronic form, is hereby authorized and approved. Each of the Authorized Officers, acting singly, is hereby authorized to determine that the Preliminary Official Statement is deemed final for purposes of Rule 15c2-12.

The preparation and delivery to the Underwriter of a final Official Statement (the "Official Statement") relating to the Bonds, and its use by the Underwriter in connection with the offering and sale of the Bonds, including delivery of the Official Statement in electronic form, be and the same is hereby approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and deletions as may be approved by the Authorized Officer executing the Official Statement (including without limitation the insertion of the final terms of the Bonds), said execution being conclusive evidence of such approval. Each of the Authorized Officers, acting singly, is hereby authorized to execute the Official Statement, in the name and on behalf of the District, and thereupon to cause the Official Statement to be delivered to the Underwriter. Each of the Authorized Officers, acting singly, is hereby authorized to approve and execute any amendment or supplement to the Official Statement contemplated by the Purchase Contract, in the name and on behalf of the District, and thereupon to cause such amendment or supplement, to be delivered to the Underwriter.

**SECTION 7. Continuing Disclosure Certificate.** The Continuing Disclosure Certificate, in substantially the form attached hereto as Exhibit E, and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each Authorized Officer, acting singly, is hereby authorized to execute and deliver the Continuing Disclosure Certificate, in the name of and on behalf of the District, in substantially the form attached hereto with such changes, insertions

and deletions as may be approved by the Authorized Officer executing the Continuing Disclosure Certificate, said execution being conclusive evidence of such approval, and the Secretary is hereby authorized to attest thereto.

**SECTION 8. 2010 Escrow Agreement.** The 2010 Escrow Agreement, in substantially the form attached hereto as Exhibit F, and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each Authorized Officer, acting singly, is hereby authorized to execute and deliver the 2010 Escrow Agreement, in the name of and on behalf of the District, in substantially the form attached hereto with such changes, insertions and deletions as may be approved by the Authorized Officer executing the 2010 Escrow Agreement, said execution being conclusive evidence of such approval, and the Secretary is hereby authorized to attest thereto.

**SECTION 9. 2013 Escrow Agreement.** The 2013 Escrow Agreement, in substantially the form attached hereto as Exhibit G, and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each Authorized Officer, acting singly, is hereby authorized to execute and deliver the 2013 Escrow Agreement, in the name of and on behalf of the District, in substantially the form attached hereto with such changes, insertions and deletions as may be approved by the Authorized Officer executing the 2013 Escrow Agreement, said execution being conclusive evidence of such approval, and the Secretary is hereby authorized to attest thereto.

**SECTION 10. Bond Insurance.** The Board hereby authorizes the Authorized Officers: (i) to solicit bids on a municipal bond insurance policy and/or reserve surety for the benefit of the Bonds; (ii) to negotiate the terms of such policy or policies; (iii) to finalize, if appropriate, the form of such policy or policies with a municipal bond insurer; and (iv) if it is determined that the policy or policies will result in net savings for the District, to pay the insurance premium of such policy or policies from the proceeds of the issuance and sale of the Bonds.

**SECTION 11. Other Actions.** The Authorized Officers, the Secretary, the District's General Counsel and any other proper official, officer or employee of the District, acting singly, be and each of them hereby is authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or convenient in carrying out the actions authorized by this Resolution and the transactions contemplated by the documents and instruments approved or authorized by this Resolution, including, without limitation, making any determinations or submission of any documents or reports which are required by any rule or regulation of any governmental entity, the giving of any notices and directions or the seeking of any consents or acknowledgements in connection with the issuance and sale of the Bonds, the execution and delivery of any redemption or escrow instructions related to the 2010 Bonds or the 2013 Bonds, the execution of any agreement related to municipal bond insurance or a reserve surety for the Bonds and the authorization, execution, delivery of, and the performance by the District of its obligations under, the documents and instruments approved or authorized by this Resolution.

**SECTION 12. Ratification of Prior Actions.** All actions heretofore taken by any committee of the Board, or any official, officer, employee, representative or agent of the District, in connection with the issuance and sale of the Bonds or the authorization, execution, delivery, or performance of the District's obligations under the documents and instruments that are approved

or authorized by this Resolution, and the other actions contemplated by this Resolution, are hereby ratified, approved and confirmed.

**SECTION 13.** Effect. This Resolution shall take effect immediately.

Passed and adopted by the East Valley Water District Board of Directors on August 26, 2020, by the following vote:

**ROLL CALL:**

Ayes:

Noes:

Abstain:

Absent:



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David E. Smith  
Board President

ATTEST:



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John Mura  
Secretary, Board of Directors

August 26, 2020

**I HEREBY CERTIFY** that the foregoing is a full, true and correct copy of Resolution 2020.20 adopted by the Board of Directors of East Valley Water District at its Regular Meeting held August 26, 2020.



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John Mura  
Secretary, Board of Directors