

RESOLUTION NO. 2020-18

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BENITO COUNTY WATER DISTRICT OF PRELIMINARY
INTENTION TO PROCEED WITH REFINANCING OF CALPERS
AND WIIN ACT OBLIGATIONS, AND APPOINTING A FINANCIAL ADVISOR AND
BOND COUNSEL IN CONNECTION THEREWITH**

WHEREAS, the San Benito County Water District (the “District”) is a contracting member of the California Public Employees' Retirement System (“CalPERS”), and is obligated by law to make certain payments to CalPERS in respect of retired safety employees (the “Pension Plan”); and

WHEREAS, the District is legally obligated under the Pension Plan to pay any unfunded accrued liability (the “UAL”), which is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS; and

WHEREAS, in accordance with the CalPERS most recent Actuarial Valuation Report (as of 06/30/2018), the District has a currently outstanding Miscellaneous Plan UAL obligation of approximately \$3 million, which is scheduled to be unevenly amortized over the next 25 years (the “UAL Obligation”); and

WHEREAS, the District desires to refinance its outstanding obligation to the US Bureau of Reclamation under Section 4011 of the Water Infrastructure Improvements for the Nation (the “WIIN Act”), which is presently outstanding in the approximate amount of \$3 million (the “WIIN Obligation,” and together with the UAL Obligation, the “Obligations”); and

WHEREAS, the Board of Directors (the “Board”), after due investigation and deliberation, has determined that it is in the public interests of the District at this time to consider the refinancing part or all of the Obligations (the “Refinancing”); and

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the “Bond Law”), to enter into loan agreements for the purpose of refinancing certain outstanding obligations of the District, including the Obligations; and

WHEREAS, in order to efficiently accomplish the Refinancing, the District desires to appoint Caldwell Sutter Capital, Inc. as Financial Advisor and The Weist Law Firm as Bond Counsel to provide the necessary professional services in connection therewith; and

NOW, THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT THAT:

Section 1. Recitals and Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above are true and correct and that the Refinancing will result in public benefits to the District and its ratepayers.

Section 2. Preliminary Intention to Proceed. The Board hereby determines that it is necessary and desirable to proceed with the Refinancing, subject to final authorization thereof by resolution of the District at a subsequent meeting held for such purpose. This Resolution does not bind the District to ultimately provide for the Refinancing.

Section 3. Authorized Representatives. The President, Vice President, General Manager and any other person authorized by the General Manager to act on behalf of the District shall each be an “Authorized Representative” of the District for the purposes of structuring and providing for the matter to be brought back to the Board for further consideration, and are hereby authorized, jointly and severally, in each of their discretion, to effectuate the actions which the Board has approved in this Resolution.

Section 4. Professional Services. The Board hereby appoints Caldwell Sutter Capital, Inc., as Financial Advisor, and The Weist Law Firm, as Bond Counsel, in connection with the Refinancing described in this Resolution. The General Manager is authorized and directed to execute agreements with these firms in the respective forms on file with the Secretary to the Board.

Section 5. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Board of Directors of the San Benito County Water District at a meeting thereof on the 28th day of October 2020, by the following vote:

AYES: Tobias, Bettencourt, Flores, Tonascia and Williams

NOES: None

ABSENT: None

ABSTAIN: None

/s/John Tobias
John Tobias
President

ATTEST:

/s/Sara Singleton
Sara Singleton
Assistant Manager