

RESOLUTION NO. 2021-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN BENITO COUNTY WATER DISTRICT APPROVING A
TERM SHEET IN CONNECTION WITH THE REFINANCING OF
THE DISTRICT'S OUTSTANDING WIIN ACT OBLIGATION
AND INSTALLMENT SALE AGREEMENT #15-019**

WHEREAS, the San Benito County Water District (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 \$3.1 million (the "WIIN Act Obligation"); and

WHEREAS, the Board of Directors (the "Board"), after due investigation and deliberation, on October 28, 2020 adopted Resolution No. 2020-18 (the "Resolution of Intention") determining that it is in the public interests of the District to consider the refinancing of the WIIN Act Obligation (the "WIIN Act Refinancing"), and appointed the necessary consultants in connection therewith; and

WHEREAS, the Board, after due investigation and deliberation, on December 16, 2015 adopted Resolution No. 2015-23 authorized and directed the execution of Installment Sale Agreement #15-019 that was subsequent executed and delivered as of December 1, 2015 (the "2015 Installment Obligation," and collectively with the WIIN Act Obligation, the "Obligations"); and

WHEREAS, the Board, after due investigation and deliberation, desires to refinance the 2015 Installment Obligation (the "2015 ISA Refinancing," and collectively with the WIIN Act Refinancing, the "Refinancing"), and appoints the necessary consultants in connection therewith; 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 agreements for the purpose of refinancing certain outstanding obligations of the District, including the Obligations; and

WHEREAS, the District, with the aide of its financing team, solicited proposals from qualified financial institutions to purchase the District's Series 2021 Water Revenue Obligations (the "2021 Obligations"), the proceeds of which will be used to prepay part or all of the Obligations; and

WHEREAS, several qualified financial institutions submitted proposals to purchase the 2021 Obligations, all of which the Board has reviewed and now desires to approve and direct the General Manager to sign the term sheet (the "Term Sheet") offered by winning bidder (the "Bank"); 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 confirms its intention to proceed with the Refinancing, subject to final authorization thereof by resolution of the District at a subsequent meeting held for such purpose.

Section 3. Approval of Term Sheet. The form of the Term Sheet presented at this meeting, on file in the office of the Secretary to the Board and incorporated herein by reference, is hereby approved, and General Manager is hereby authorized to execute the Term Sheet in substantially the form hereby approved, with such additions thereto and changes therein as may be approved by such officer upon consultation with Bond Counsel. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery of the Term Sheet; provided, however, that the interest rate on the 2021 Obligations shall not to exceed 2.25% of the principal amount thereof.

Section 4. General Manager Authorized to Sign Subsequent Term Sheet. In the event the Board elects to approve the Term Sheet as to the refinancing of the WIIN Act Obligation, but not as to the 2015 Installment Obligation, the General Manager is hereby authorized to execute a separate subsequent term sheet with a financial institution that the General Manger deems to be most appropriate; provided, however, that the interest rate does not exceed 2.25% and that the Net Present Value savings associated with the refunding of the 2015 Installment Obligation are greater than 3% of the principal amount thereof.

Section 5. 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 of the 2015 Installment Obligation. 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 6. 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 11th day of January 2021, by the following vote:

AYES: Williams, Tonascia, Flores and Shelton

NOES: None

ABSENT: Tobias

ABSTAIN: None

/s/Doug Williams

Doug Williams
President

ATTEST:

/s/Sara Singleton

Sara Singleton
Assistant Manager/Board Secretary