

## **RESOLUTION NO. 16-15**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING THE ISSUANCE BY THE PALMDALE WATER DISTRICT PUBLIC FINANCING AUTHORITY OF WATER REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000 AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH**

WHEREAS, the Palmdale Water District (the "District") is an irrigation district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "State");

WHEREAS, the District proposes to undertake the prepayment of that certain Installment Purchase Agreement dated as of November 1, 2012 by and between the District and the Palmdale Water District Public Facilities Corporation and the redemption of the Palmdale Water District Public Financing Authority's (the "Authority") Water Revenue Bonds, Series 2013A, maturing on October 1, 2038 and October 1, 2043 (collectively the "Prior Obligations");

WHEREAS, the Board of Directors of the District has held a duly noticed public hearing on the refinancing of the Prior Obligations in accordance with Section 6586.5 of the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the "Act") and now desires to adopt this resolution approving the refinancing and making a finding of significant public benefit in accordance with the Act

WHEREAS, the Authority has agreed to assist the District in prepaying and redeeming all or a portion of the Prior Obligations;

WHEREAS, the District has determined to request that the Authority issue Water Revenue Refunding Bonds (the "Bonds") for the purpose of prepaying and redeeming all or a portion of the Prior Obligations and paying costs of issuance in connection therewith;

WHEREAS, the Bonds will be issued pursuant to the Act;

WHEREAS, the District is authorized by Division 11 of the Water Code of the State of California, including, but not limited to Sections 22228 through 22231, to refinance the acquisition of property for its water system;

NOW, THEREFORE, the Board of Directors of the Palmdale Water District hereby finds, determines, declares and resolves as follows:

SECTION 1. Each of the above recitals is true and correct. The Board of Directors hereby further finds and determines that there are significant public benefits of the type described in Section 6586 of the Act to the District and its residents by issuing the Bonds under the Act in that the issuance of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the District.

SECTION 2. The issuance by the Authority of the Bonds in the principal amount not to exceed \$20,000,000 to prepay and redeem all or a portion of the Prior Obligations, and to pay the cost of issuance of the Bonds is hereby approved; provided, however, that the Bonds shall be issued only in accordance with the parameters set forth in Section 6 below.

SECTION 3. The Installment Purchase Agreement by and between the District and the Authority, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by the District's legal counsel and the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"). Each of the President of the Board of Directors, the General Manager of the District (the "General Manager") and the Director of Financial Services of the District (the "Director of Financial Services"), or their designees (collectively, the "Authorized Officers"), acting alone, is hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be approved by the District's legal counsel and Bond Counsel, with the execution thereof by an Authorized Officer being conclusive evidence of such approval.

SECTION 4. The Continuing Disclosure Certificate, executed by the District in connection with the issuance of the Bonds, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by the District's legal counsel and Bond Counsel. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved

by the District's legal counsel and Bond Counsel, with the execution thereof by an Authorized Officer being conclusive evidence of such approval.

SECTION 5. The 2012 Escrow Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by the District's legal counsel and Bond Counsel. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the 2012 Escrow Agreement with such changes, insertions and omissions as may be approved by the District's legal counsel and Bond Counsel, with the execution thereof by an Authorized Officer being conclusive evidence of such approval. The Bank of New York Mellon Trust Company, N.A., is hereby appointed as escrow agent under the 2012 Escrow Agreement.

SECTION 6. The Purchase Contract by and between the Authority and Piper Jaffray & Co. (the "Underwriter"), in substantially the form on file with the Secretary of the Board, is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the Letter of Representations of the District in substantially the form attached to the Purchase Contract, with such changes, insertions and omissions as may be approved by the District's legal counsel and Bond Counsel, with the execution thereof by an Authorized Officer being conclusive evidence of such approval; provided, however, that in no event shall the principal amount of the Bonds exceed \$20,000,000, nor shall the underwriter's discount exceed 0.8% of the principal amount of the Bonds, and provided further that the Bonds shall be issued only if the net present value savings from the refunding are not less than 5% of the principal amount of the Prior Obligations being refunded, as certified by the District's Financial Advisor.

SECTION 7. The form of the Preliminary Official Statement, presented to this meeting and on file with the Secretary of the Board, is hereby approved. The General Manager, the Director of Financial Services and their designees are hereby authorized to make such changes to the Preliminary



Official Statement as are necessary to make it final as of its date and are authorized and directed to execute and deliver a certificate deeming the Preliminary Official Statement final as of its date in accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute, approve and deliver the final Official Statement in the form of the Preliminary Official Statement with such changes, insertions and omissions as the Authorized Officer executing said document may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof by an Authorized Officer.

SECTION 8. The First Amendment to Installment Purchase Agreement, by and between the District and the Authority, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by the District's legal counsel and Bond Counsel. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the First Amendment to Installment Purchase Agreement with such changes, insertions and omissions as may be approved by the District's legal counsel and Bond Counsel, with the execution thereof by an Authorized Officer being conclusive evidence of such approval

SECTION 9. The Secretary of the Board, or persons as may have been designated by the General Manager, are hereby authorized and directed to attest the signature of any of the Authorized Officers designated herein to execute any documents, as may be required or appropriate in connection with the execution and delivery of the Purchase Contract, the Installment Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and the Official Statement.

SECTION 10. Each of the General Manager, the Director of Financial Services and their designees, acting alone, is authorized to execute a contract for services with Stradling Yocca Carlson & Rauth, a Professional Corporation, to act as Bond Counsel and Disclosure Counsel to the District, which contract shall be in substantially the form on file with the Secretary of the Board, together with such changes as may be approved by the General Manager or the Director of Financial Services, the District's legal counsel, or their designee, which changes shall be conclusively evidenced by the execution and delivery of such contract by any one of such officers.

SECTION 11. Each of the General Manager, the Director of Financial Services and their designees, acting alone, is hereby authorized to (i) execute a commitment for municipal bond insurance and/or a reserve surety policy from a municipal bond insurer (the “Insurer”), (ii) to finalize the form of such policy or policies with the Insurer, and (iii) if it is determined that the policy or policies will result in interest rate savings for the District, to pay the insurance premium of such policy from the proceeds of the issuance and sale of the Bonds. Bond Counsel is hereby directed to make all changes to the Preliminary Official Statement, the 2012 Escrow Agreement, the Installment Purchase Agreement and the Purchase Contract as are necessary to reflect the selection of an Insurer and the applicable provisions required by the Insurer as a condition of its commitment to insure.

SECTION 12. The Authorized Officers are each hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which each may deem necessary or advisable in order to consummate the issuance of the Bonds, the prepayment and redemption of all or a portion of the Prior Obligations, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, the Bonds, the 2012 Escrow Agreement, the Installment Purchase Agreement, the Continuing Disclosure Certificate, the First Amendment to Installment Purchase Agreement, the Preliminary Official Statement, and the Official Statement. Such actions heretofore taken by such officers or designees are hereby ratified, confirmed and approved.

SECTION 13. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.

SECTION 14. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District,  
California, this 14th day of September, 2016, by the following vote:

AYES: Directors Alvarado, Dino, Henriquez, Estes, and Mac Laren

NAYS: None

ABSENT: None

ABSTAIN: None

  
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President

ATTEST:

  
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Secretary