

## **RESOLUTION NO. 2016-1**

### **RESOLUTION OF THE PALMDALE WATER DISTRICT PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$20,000,000 WATER REVENUE REFUNDING BONDS, SERIES 2016A, APPROVING THE EXECUTION OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH**

WHEREAS, the Palmdale Water District Public Financing Authority is a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “Authority”) which has the authority to assist in refinancing the acquisition, construction, installation and equipping of capital improvements on behalf of the Palmdale Water District (the “District”);

WHEREAS, the District has requested that the Authority assist the District in prepaying 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 refunding the Authority’s Water Revenue Bonds, Series 2013A, maturing on October 1, 2038 and October 1, 2043 (collectively, the “Prior Obligations”); and

WHEREAS, the Board of Directors of the Authority has determined to assist the District with the prepayment and redemption of all or a portion of the Prior Obligations, and to approve certain documents in connection therewith;

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

SECTION 1. The issuance of the Palmdale Water District Public Financing Authority Water Revenue Refunding Bonds, Series 2016A (the “2016A Bonds”) in the principal amount not to exceed \$20,000,000 in order to prepay or redeem all or a portion of the Prior Obligations, to fund a reserve fund, if necessary, and to pay the cost of issuance for the 2016A Bonds, is hereby approved; provided, however, that the 2016A Bonds shall be issued only in accordance with the parameters set forth in Section 5 below.

SECTION 2. The Installment Purchase Agreement by and between the District and the Authority, in substantially the form on file with the Authority, is hereby approved. Each of the Chairman, Vice Chairman, Executive Director, Treasurer and Secretary of the Authority, or the Chairman's designee (collectively, the "Authorized Officers"), acting alone, is hereby authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be approved by the person executing the same, said execution being conclusive evidence of such approval.

SECTION 3. The Indenture of Trust by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), in substantially the form on file with the Authority, is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the Indenture of Trust with such changes, insertions and omissions as may be approved by the person executing the same, said execution being conclusive evidence of such approval.

SECTION 4. The Assignment Agreement, by and between the Authority and the Trustee, in substantially the form on file with the Authority, is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the Assignment Agreement with such changes, insertions and omissions as may be approved by the person executing the same, said execution being conclusive evidence of such approval.

SECTION 5. The Purchase Contract by and between the Authority and Piper Jaffray & Co. (the "Underwriter"), in substantially the form on file with the Authority, is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be approved by the person executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the principal amount of the 2016A Bonds exceed \$20,000,000, nor shall the Underwriter's discount exceed 0.8% of the principal amount of the 2016A Bonds, and provided further

that the 2016A 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 6. The preparation and distribution of the Preliminary Official Statement, 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 Authorized Officers, acting alone, is hereby authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Preliminary Official Statement, and 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 may be approved by the person executing the same, said execution being conclusive evidence of such approval. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the initial purchase of the 2016A Bonds and is directed to deliver copies of any final Official Statement to all actual initial purchasers of the 2016A Bonds.

SECTION 7. The 2013 Escrow Agreement, by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as escrow agent, in substantially the form on file with the Authority, is hereby approved. Each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the 2013 Escrow Agreement with such changes, insertions and omissions as may be approved by the person executing the same, said execution being conclusive evidence of such approval.

SECTION 8. The First Amendment to Installment Purchase Agreement, by and between the Authority and the District, in substantially the form on file with the Authority, is hereby approved. 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 person executing the same, said execution being conclusive evidence of such approval.

SECTION 9. Each of the Executive Director, the Treasurer or their respective 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 Authority, to pay the insurance premium of such policy or policies 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 Installment Purchase Agreement, the Indenture of Trust 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 10. Each of the Authorized Officers and any other proper officer of the Authority is hereby authorized and directed 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 proper for carrying out the transactions contemplated by the Indenture of Trust, the Installment Purchase Agreement, the Assignment Agreement, the First Amendment to Installment Purchase Agreement, the Purchase Contract, the Preliminary Official Statement, the 2013 Escrow Agreement and this Resolution.

SECTION 11. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to act as trustee under the Indenture of Trust and as escrow agent under the 2013 Escrow Agreement.

SECTION 12. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture unless the context otherwise clearly requires.

SECTION 13. This Resolution shall take effect from and after its date of adoption.

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

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

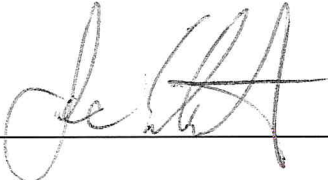
NAYS: None.

ABSENT: None.

ABSTAIN: None.

  
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President

ATTEST:

  
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Secretary