

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 24-

**AUTHORIZING THE EXECUTION AND DELIVERY OF
A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND
A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT
A COMMERCIAL PAPER PROGRAM AND OTHER SHORT-TERM OBLIGATIONS**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Valley Water"), a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California ("State"), has previously undertaken a commercial paper program; and

WHEREAS, in order to continue the commercial paper program and to support other short-term financings from time to time, Valley Water has determined to issue in fiscal year 2024-2025 tax-exempt tax and revenue anticipation notes ("Tax-Exempt Notes") and taxable tax and revenue anticipation notes (the "Taxable Notes," and together with the Tax-Exempt Notes, the "Notes") in a combined aggregate principal amount not to exceed \$500,000,000 pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code on the terms set forth herein.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

SECTION 1. DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section have the meanings herein specified.

"Authorizing Law" means Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code.

"Bonds" means all revenue bonds or notes of Valley Water authorized, executed, issued and delivered by Valley Water, which are secured by a pledge of and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Chief Executive Officer" means the duly-appointed Chief Executive Officer or any duly appointed Acting or Interim Chief Executive Officer of Valley Water.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

"Contract" means all installment purchase agreements or other contracts of Valley Water authorized and executed by Valley Water, which are secured by a pledge and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Master Resolution" means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of Valley Water on February 23, 2016, as amended.

"Net Water Utility System Revenues" has the meaning set forth in the Master Resolution.

"Notes" means the Tax-Exempt Notes and the Taxable Notes.

“Regulations” means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

“Tax-Exempt Notes” means the Santa Clara Valley Water District 2024-2025 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

“Taxable Notes” means the Santa Clara Valley Water District 2024-2025 Taxable Tax and Revenue Anticipation Notes to be issued hereunder.

“Valley Water” means the Santa Clara Valley Water District.

“Water Utility System Revenues” has the meaning set forth in the Master Resolution.

SECTION 2. ISSUANCE OF THE NOTES; AMOUNT; TERMS; INTEREST RATE; PLACE OF PAYMENT; USE OF PROCEEDS

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed \$500,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of Valley Water which will be available for the payment therefor. A certificate of the Chief Executive Officer or their designees certifying to such effect, in the form attached hereto as “Exhibit B,” shall be completed on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Notes shall be designated “Santa Clara Valley Water District 2024-2025 Tax-Exempt Tax and Revenue Anticipation Notes” and the Taxable Notes shall be designated “Santa Clara Valley Water District 2024-2025 Taxable Tax and Revenue Anticipation Notes.” The Notes shall be dated the date of issuance thereof. The Notes shall be payable at the office of Valley Water at such times and in such amounts as set forth in the respective Notes. The Notes shall mature and be payable no later than October 1, 2025. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the commercial paper notes or other short-term obligations to which such Notes are pledged and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which such Notes are pledged outstanding on such date and shall be payable in accordance with the terms thereof. Each Note shall be prepayable in whole or in part on any day on which the commercial paper or other short-term obligations to which such Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Notes will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

SECTION 3. EXECUTION OF THE NOTES

The Chief Executive Officer or their designees are hereby authorized and directed to sign the Notes, by such officer’s manual, printed, lithographed or facsimile signatures.

SECTION 4. FORM OF THE NOTES

The Notes shall be issued in substantially the form set forth in “Exhibit A” attached hereto and incorporated herein and may be issued in typewritten form.

SECTION 5. PAYABLE FROM NET WATER UTILITY SYSTEM REVENUES

The obligation of Valley Water to make payments of principal of and interest on the Notes is a general obligation of Valley Water. Valley Water hereby pledges Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the portion of the payment of the principal of and interest on the Notes which support the commercial paper program, all in accordance with the Master Resolution. Valley Water may pledge Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the portion of the payment of the principal of and interest on the Notes which support other short-term obligations, such pledge to be set forth in such short-term obligations. The Notes do not constitute a debt of Valley Water or the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

SECTION 6. CERTIFIED COPIES

The Valley Water Clerk of the Board shall provide a certified copy of this document to the Chief Executive Officer who shall take such action as shall be necessary to assure compliance by Valley Water with the terms and conditions hereof.

SECTION 7. EFFECTIVE DATE

This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2024:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 14, 2024, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 14, 2024

SANTA CLARA VALLEY WATER DISTRICT

By: _____
MICHELE L. KING, CMC
Clerk, Board of Directors

Affix Seal Here

EXHIBIT A COVERSHEET

SANTA CLARA VALLEY WATER DISTRICT 2024–2025 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND 2024–2025 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

No. of Pages: 4

Exhibit Attachments: None

EXHIBIT A

SANTA CLARA VALLEY WATER DISTRICT 2024–2025 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District (“Valley Water”) acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation (“Corporation”) \$230,000,000 in lawful money of the United States of America, on October 1, 2025, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2024-2025 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water. The portion of payments on this Note which support the commercial paper program is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 14, 2024, authorizing the issuance of this Note). The portion of payments on this Note which support other short-term obligations may also be payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts to the extent set forth in such short-term obligation. This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

EXHIBIT A (continued)

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or their designee, and the General Counsel or the General Counsel's designee, all as of July 1, 2024.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Rick L. Callender, Esq.
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Brian Hopper
Senior Assistant District Counsel

EXHIBIT A (continued)

**SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAXABLE TAX AND REVENUE ANTICIPATION NOTE**

FOR VALUE RECEIVED, the Santa Clara Valley Water District (“Valley Water”) acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation (“Corporation”) \$270,000,000 in lawful money of the United States of America, on October 1, 2025, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which this Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2024-2025 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water. The portion of payments on this Note which support the commercial paper program is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 14, 2024, authorizing the issuance of this Note). The portion of payments on this Note which support other short-term obligations may also be payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts to the extent set forth in such short-term obligation. This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

EXHIBIT A (continued)

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or their designee, and the General Counsel or the General Counsel's designee, all as of July 1, 2024.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Rick L. Callender, Esq.
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Brian Hopper
Senior Assistant District Counsel

EXHIBIT B COVERSHEET

**\$500,000,000
SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT**

No. of Pages: 1

Exhibit Attachments: None

EXHIBIT B

\$500,000,000

**SANTA CLARA VALLEY WATER DISTRICT
2024–2025 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT**

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed \$500,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the Santa Clara Valley Water District (“Valley Water”), as determined by the following calculation:

FY 2024–25 Valley Water-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money ¹ (A)	<u>\$691,800,000</u>
FY 2024–25 Tax and Revenue Anticipation Notes:	
Principal Amount of the Notes ²	500,000,000
Interest on the Notes ³	<u>76,166,667</u>
Total (B)	\$576,166,667
Percentage (B)/(A)	83.29%

Dated: July 1, 2024

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Authorized Officer

¹ Source: *FY 2024-25 Preliminary Budget*.

² Up to \$230 million in Tax-Exempt Notes and \$270 million of Taxable Notes may be issued to support the commercial paper program and other short-term obligations.

³ Assumes maximum interest rate of 12% calculated based on actual/360-day basis.