

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

**RESOLUTION NO. 20-**

**AUTHORIZING THE SOLICITATION AND NEGOTIATION OF  
AND EXECUTION AND DELIVERY OF ONE OR MORE LINES OF CREDIT,  
CREDIT AGREEMENT, FEE LETTER AND RELATED DOCUMENTS AND ACTIONS**

WHEREAS, the Santa Clara Valley Water District ("Valley Water" or the "District") is a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Santa Clara Valley Water District Public Facilities Financing Corporation is a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation") with the authority to assist in the financing of certain costs of Valley Water; and

WHEREAS, Valley Water desires to request that the Corporation obtain one or more lines of credit for the purpose of financing certain costs of Valley Water; and

WHEREAS, Valley Water will solicit formal proposals from financial institutions to provide such lines of credit; and

WHEREAS, the Board of Directors of Valley Water (the "Board") desires to authorize certain Valley Water officials to expediently solicit, negotiate and obtain one or more lines of credit and execute and deliver certain documents in connection therewith, subject to the parameters set forth in this resolution; and

WHEREAS, Valley Water has previously undertaken a commercial paper program (the "Commercial Paper Program") and to continue such Commercial Paper Program, Valley Water has from time-to-time issued tax and revenue anticipation notes (the "TRANS"), 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 in such TRANS; and

WHEREAS, Valley Water intends that a portion of the amounts to be paid by Valley Water to the Corporation under the TRANS be applied to pay amounts due under such lines of credit, provided, however, that the total principal amount utilized under all lines of credit, together with other credit facilities entered into with respect to the Commercial Paper Program, in the aggregate, shall in no event exceed the principal amount of the TRANS outstanding from time-to-time.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find, determine, declare, and resolve as follows:

**Section 1. Authorization to Obtain Lines of Credit.** This Board hereby authorizes the solicitation and negotiation of the terms of one or more lines of credit (each a "Line of Credit" and together, the "Lines of Credit"), credit agreement (each a "Credit Agreement") and fee letter (each a "Fee Letter") with one or more financial institutions. Subject to the limitations set forth herein, each of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), or Treasury and Debt Officer of Valley Water (in each case, including any acting, interim or

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otherwise appointed officer, as the case may be) or their written designees (each an "Authorized Officer"), and the District Counsel and the Clerk of the Board of Directors and such other officers and staff of Valley Water, acting singly, are hereby authorized to do any and all things to solicit, negotiate and execute one or more Lines of Credit, Credit Agreement, Fee Letter, and such other agreements, documents and certificates, including to provide for covenants, representations and warranties of Valley Water, as may be necessary to effectuate each Line of Credit, Credit Agreement and Fee Letter, if they determine such execution and delivery is in the best interest of Valley Water. The foregoing authorization to solicit, negotiate and execute and deliver each Line of Credit, Credit Agreement and Fee Letter shall be valid for one year from the date hereof; provided, however the authorization of extensions of such Line of Credit shall be governed by Section 4.

**Section 2. Repayment of Lines of Credit.** Payment of any amounts due under a Line of Credit and Credit Agreement shall be payable from payments made by Valley Water to the Corporation pursuant to TRANs issued by Valley Water from time-to-time and from Net Water Utility System Revenues (as defined in Resolution No. 16-10, adopted by the Board of Directors of Valley Water on February 23, 2016, as amended (the "Parity Master Resolution")), on a subordinate basis to Bonds and Contracts (as such terms are defined in the Parity Master Resolution), in accordance with the Parity Master Resolution.

**Section 3. Maximum Stated Amount and Fees.** The stated amount of all Lines of Credit authorized hereunder, in the aggregate, shall not exceed Two Hundred Million Dollars (\$200,000,000) and in no event shall the total principal amount utilized under all lines of credit, together with other credit facilities entered into with respect to the Commercial Paper Program, in the aggregate, exceed the principal amount of the TRANs outstanding from time-to-time. The fees to be paid by Valley Water for a Line of Credit during the initial term shall not exceed 6.2%; the fees paid during any future extensions shall comply with Section 4.

**Section 4. Extensions of Lines of Credit.** The Authorized Officers are hereby authorized to enter into and execute and deliver such documents as may be necessary in connection with amendments to a Credit Agreement from time-to-time to facilitate the extension of the related Line of Credit for one or more years without further action by the Board so long as, with respect to each Line of Credit: (i) the fee rates shall not be greater than 1% (100 basis points) higher than fees set forth in the related Fee Letter for the prior term entered into in accordance with Section 1 above or extensions pursuant to Section 4, (ii) the other terms and conditions of any such extension (including any amendment to the Credit Agreement required to implement such extension, except for the stated amount which may be amended to the maximum amount as defined in Section 3) are substantially similar to the terms and conditions of the Credit Agreement originally entered into in accordance with Section 1 above or extensions pursuant to Section 4, and (iii) the Valley Water municipal advisor certifies in writing that the fee rates in such extension are consistent with the market at such time (taking into account, among other considerations, the costs of securing and negotiating a replacement line of credit and credit agreement with a replacement bank with comparable credit ratings, including attorney fees, as well as any trading advantage or disadvantage associated with a replacement bank).

**Section 5. Other Actions.** The Authorized Officers and such other officers and staff of Valley Water are authorized and directed, acting singly, to do any and all things and to solicit, negotiate, and execute and deliver any and all documents (including, but not limited, a paying agent agreement) and certificates which such officers may deem necessary or advisable in

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order to obtain the Lines of Credit as set forth in Section 1 above, to effectuate any extension of a Line of Credit as set forth in Section 4 above, and otherwise effectuate the purposes of this Resolution, and such actions in connection therewith previously taken by such officers and staff are hereby ratified and confirmed.

**Section 6. Effect.** 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 April 28, 2020:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

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Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

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Clerk, Board of Directors

I hereby certify that the foregoing is a full, true, and correct copy of the original thereof on file in my office.

DATED: April 28, 2020

*Affix Seal Here*

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MICHELE L. KING, CMC

Clerk, Board of Directors

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