

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

RESOLUTION NO. 20-

**AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$120,000,000 WATER
SYSTEM REFUNDING REVENUE BONDS, AUTHORIZING THE EXECUTION
AND DELIVERY OF NOT TO EXCEED \$155,000,000 REVENUE CERTIFICATES
OF PARTICIPATION, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN
DOCUMENTS AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH**

WHEREAS, the Santa Clara Valley Water District (“Valley Water”) 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, Valley Water has previously financed the acquisition of certain capital improvements to the water utility system equipment and facilities of Valley Water by causing the execution and delivery of the Commercial Paper Certificates, Series A (Tax-Exempt) and the Commercial Paper Certificates, Series B (Taxable) (the “Outstanding CP”) pursuant to a resolution of the Santa Clara Valley Water District Public Facilities Financing Corporation (the “Corporation”); and

WHEREAS, Valley Water has determined that it would be in the best interests of Valley Water and citizens of the community to authorize refunding bonds in one or more series (the “Refunding Bonds”) to refund the Outstanding CP; and

WHEREAS, the Board of Directors of Valley Water (the “Board”) proposes to acquire additional water utility system equipment and facilities and to reimburse Valley Water for costs previously expended to acquire certain water utility system equipment and facilities and the Corporation has agreed to assist Valley Water in such acquisition and reimbursement; and

WHEREAS, Valley Water has determined that it would be in the best interests of Valley Water and citizens of the community to authorize the entry into an installment purchase agreement and the preparation and delivery of revenue certificates of participation (the “Certificates”) in one or more series to finance the acquisition of and to reimburse the costs of such water utility system equipment and facilities.

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 of Refunding Bonds. This Board hereby authorizes the issuance, sale and delivery of one or more series of Refunding Bonds in an aggregate principal amount not to exceed \$120,000,000 in accordance with the terms and provisions of the Indenture of Trust referred to in Section 2 below and the Water Utility Parity System Master Resolution (as defined in such Indenture of Trust), the interest on which may be taxable or tax-exempt; provided however that in no event shall the true interest cost of the Refunding Bonds exceed 4.00% per annum. The purposes for which the proceeds of the sale of the Refunding Bonds shall be expended are to pay the Outstanding CP, and to pay the costs of the sale and delivery of the Refunding Bonds.

Section 2. Indenture. The Indenture of Trust with respect to the Refunding Bonds, in substantially the form on file with Valley Water, and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The Chief Executive Officer,

the Assistant Chief Executive Officer, Operations, the Chief Financial Officer (or any acting or interim of such positions) and the Clerk of the Board or the designee thereof (each an "Authorized Officer" and together the "Authorized Officers"), are hereby each individually authorized and directed to execute and deliver the Indenture of Trust with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 3. Authorization of Certificates of Participation. This Board hereby authorizes the preparation, sale and delivery by the Corporation of one or more series of Certificates in an aggregate principal amount not to exceed \$155,000,000 in accordance with the terms and provisions of the Trust Agreement referred to in Section 5 below. The purposes for which the proceeds of the sale of the Certificates shall be expended are to finance the acquisition and/or construction by Valley Water of certain capital improvements to the water utility system of Valley Water and to reimburse Valley Water for costs previously expended to acquire and/or construct certain water utility system equipment and facilities as described in the Installment Purchase Agreement referred to in Section 4 below, and to pay the costs of the sale and delivery of the Certificates.

Section 4. Installment Purchase Agreement. The Installment Purchase Agreement with respect to the Certificates in substantially the form on file with Valley Water and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer is individually authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 5. Trust Agreement. The Trust Agreement with respect to the Certificates, in substantially the form on file with Valley Water and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer is individually authorized and directed to execute and deliver the Trust Agreement with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 6. Purchase Contracts for the Refunding Bonds. One or more Purchase Contracts relating to the Refunding Bonds by and between Valley Water and the representative of the underwriters named therein (the "Bond Purchase Contracts"), in substantially the form on file with Valley Water and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer or the Treasury and Debt Officer is individually authorized and directed to execute and deliver such Bond Purchase Contracts with such changes, insertions and omissions as may be approved by such Authorized Officer or the Treasury and Debt Officer executing the same, said execution being conclusive evidence of such approval; provided, that the underwriting discount shall not exceed 0.2 of 1%.

Section 7. Purchase Contracts for the Certificates. One or more Purchase Contracts relating to the Certificates by and between Valley Water and the representative of the underwriters named therein (the "Certificate Purchase Contracts"), in substantially the form on file with Valley Water and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. Each Authorized Officer or the Treasury and Debt Officer is individually authorized and directed to execute and deliver such Certificate Purchase

Contracts with such changes, insertions and omissions as may be approved by such Authorized Officer or the Treasury and Debt Officer executing the same, said execution being conclusive evidence of such approval; provided, that the underwriting discount shall not exceed 0.2 of 1%.

Section 8. Preliminary Official Statement and Official Statement. The preparation and distribution of the Preliminary Official Statement relating to the Refunding Bonds and the Certificates in substantially the form on file with Valley Water, is hereby approved. Each Authorized Officer is individually 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 Authorized Officer is individually authorized and directed to execute, approve and deliver the Official Statement in the form of the Preliminary Official Statement which, upon execution as authorized below, are made a part hereof as though set forth in full herein, with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval. The underwriters for the Refunding Bonds and the Certificates are hereby authorized to distribute copies of said Preliminary Official Statement to persons who may be interested in the initial purchase of the Refunding Bonds and the Certificates and are directed to deliver copies of any final Official Statement to all actual initial purchasers of the Refunding Bonds and the Certificates.

Section 9. Continuing Disclosure Agreements. The Continuing Disclosure Agreement relating to the Refunding Bonds and the Continuing Disclosure Agreement relating to the Certificates in substantially the forms on file with Valley Water and, upon execution as authorized below, made a part hereof as though set forth in full herein, are hereby approved. Each Authorized Officer is individually authorized and directed to execute and deliver the Continuing Disclosure Agreements with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 10. Payment of Outstanding CP. Each Authorized Officer and such other officers and staff of Valley Water are authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents which such officers may deem necessary or advisable in order to pay the Outstanding CP from a portion of the proceeds of the Refunding Bonds.

Section 11. Trustee. U.S. Bank National Association, San Francisco, California is hereby appointed to act as trustee under the Indenture of Trust with respect to the Refunding Bonds.

Section 12. Good Faith Estimate of Certain Costs. The Board acknowledges that the good faith estimates of certain costs required by Section 5821.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this resolution is approved.

Section 13. 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 execute and deliver any and all documents which such officers may deem necessary or advisable in order to consummate the sale and delivery of the Refunding Bonds, and the delivery of the Indenture of Trust, the Installment Purchase Agreement, the Trust Agreement, the Continuing Disclosure Agreements, the Purchase Contracts, the Preliminary Official Statement and the Official Statement, and otherwise effectuate the purposes of this Resolution, and such actions in

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connection therewith previously taken by such officers and staff are hereby ratified and confirmed.

Section 14. Definitions. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given to such terms in the Indenture of Trust, unless the context otherwise clearly requires.

Section 15. 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 September 8, 2020:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

NAI HSEUH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

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

DATED: August 25, 2020

MICHELE L. KING, CMC
Clerk, Board of Directors

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