

**MID-PENINSULA WATER DISTRICT**

**RESOLUTION NO. 2016-20**

**RESOLUTION APPROVING THE FORM AND AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS IN CONNECTION WITH THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND FACILITIES TO THE DISTRICT'S WATER SYSTEM, AUTHORIZING AND DIRECTING DISTRIBUTION OF A NOTICE OF INTENTION, A NOTICE OF SALE AND A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO, AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

RESOLVED, by the Board of Directors (the "Board") of the Mid-Peninsula Water District (the "District"), as follows:

WHEREAS, the District has determined that, due to prevailing financial market conditions, it is in the best interests of the District to finance the acquisition and construction of certain improvements and facilities (the "Project") to the District's water system (the "Water System");

WHEREAS, the District, working together with the Public Property Financing Corporation of California (the "Corporation"), proposes to finance the Project, as more particularly described in the hereinafter defined Installment Sale Agreement, and it is in the public interest and for the public benefit that the District authorize and direct execution of the Installment Sale Agreement and certain other financing documents in connection therewith;

WHEREAS, a notice of intention, a notice of sale and a preliminary official statement containing information material to the offering and sale of the Certificates described below have been prepared; and

WHEREAS, the documents below specified have been filed with the District and the members of the Board, with the aid of its staff, have reviewed said documents;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

*Section 1.* Certificates of Participation (2016 Financing Project) (the "COPs") are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement, as hereinafter defined.

*Section 2.* The below-enumerated documents, in the forms on file with the Board Secretary, be and are hereby approved, and the President, the General Manager, or their

designees thereof (each, a "Designated Officer"), are hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials, with the understanding that all documents will be in a form approved by District Counsel, Hanson Bridgett LLP, and the Board Secretary is hereby authorized and directed to attest to such official's signature:

(a) an installment sale agreement, by and between the Corporation, as seller, and the District, as purchaser (the "Installment Sale Agreement"), pursuant to which the Corporation will sell the Project to the District, so long as the total principal amount of the Certificates does not require annual debt service payments in excess of \$1,045,000 and the true interest cost does not exceed 4%; and

(b) a trust agreement, by and among the Corporation, the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trust Agreement"), relating to the financing, and the execution and delivery of the Certificates.

*Section 3.* The Board hereby approves a notice of intention, in the form on file with the Board Secretary (the "Notice of Intention"), together with any changes therein or additions thereto deemed advisable by any Designated Officer and District Counsel. The Board Secretary is hereby authorized and directed to cause to be published, once at least five (5) days prior to the date to receive bids, the Notice of Intention in *The Bond Buyer*, a financial publication reasonably expected to be disseminated among prospective bidders for the Certificates. The Board hereby approves a notice of sale, in the form on file with the Board Secretary (the "Notice of Sale"), together with any changes therein or additions thereto deemed advisable by any Designated Officer. Wulff, Hansen & Company, municipal advisor to the District (the "Municipal Advisor") is hereby authorized to cause to be furnished to prospective bidders copies of the Notice of Sale.

*Section 4.* The Board hereby approves a preliminary official statement (the "Preliminary Official Statement"), in the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by any Designated Officer and District Counsel. The Board authorizes and directs any Designated Officer to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The Municipal Advisor is hereby authorized to cause to be furnished to prospective bidders copies of the Preliminary Official Statement.

*Section 5.* Any Designated Officer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact with respect to the District or omit to state material facts with

respect to the District required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Designated Officers shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by any Designated Officer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the District.

*Section 6.* The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates.

*Section 7.* The Municipal Advisor is hereby authorized and directed, on behalf of the District, to receive the bids at the time and place specified in the Notice of Sale, to examine said bids for compliance with the Notice of Sale and to verify the bid with the lowest true interest cost as provided in the Notice of Sale. In the event two or more bids setting forth identical true interest cost are received, the Municipal Advisor, on behalf of the District, may exercise its own discretion and judgment in making the award and may award the Certificates on a *pro rata* basis in such denominations as he shall determine. The Municipal Advisor, on behalf of the District, may, in its discretion, reject any and all bids and waive any irregularity or informality in any bid. The Municipal Advisor, on behalf of the District, shall award the Certificates or reject all bids not later than 24 hours after the expiration of the time prescribed for the receipt of bids unless such time of award is waived by the successful bidder.

If no bids are received by the District for the sale of the Certificates or it is determined by a Designated Officer, in consultation with the Municipal Advisor, that a negotiated sale would be in the best interest of the District (determined either before or after competitive bids for the sale of the Certificates are solicited), the Certificates may be sold on a negotiated basis, to an underwriter identified to the District by the Municipal Advisor (the "Underwriter"). If it is determined that the Certificates are to be sold on a negotiated basis, the Certificates shall be sold to the Underwriter pursuant to a certificate purchase agreement, by and among the Underwriter, the District and the Corporation. Any Designated Officer is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such official, so long as the Underwriter's discount does not exceed 2% of the principal amount of the Certificates, exclusive of any original issue discount which does not represent compensation to the Underwriter.

*Section 8.* The President, the General Manager, and all other appropriate officials of the District are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the financing herein authorized, with the understanding that all such documents will be in a form approved by District Counsel.

*Section 9.* This Resolution shall take effect upon its adoption by this Board.

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ADOPTED October 11, 2016, by the Board of Directors of the Mid-Peninsula Water District by the following vote, to wit:

AYES: Linvill, Stuebing, Zucca, and Vella

NOES: Warden

ABSENT: None

ABSTAIN: None

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President, Board of Directors

ATTEST:

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Board Secretary