

Stradling Yocca Carlson & Rauth LLP

01/15/25

02/18/25

**RESOLUTION NO. 2025-07**

**APPROVING THE FORM AND AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS TO FINANCE THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS AND FACILITIES TO THE DISTRICT'S WATER SYSTEM AND THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO, AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO**

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**MID-PENINSULA WATER DISTRICT**

**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 to the District's water system (the "Water System") including, but not limited to, modernizing the Dairy Lane Operations Center, converting the Folger Drive Property to an Emergency Operations Center and Satellite Corporation Yard, and various improvements to the distribution system such as pipeline replacement, storage tank replacement and repair and other miscellaneous improvements as described in the District's 5-Year Capital Improvement Program (the "Project"), through the execution, sale and delivery of certificates of participation (the "Certificates");

**WHEREAS**, the Certificates will be secured by payments made by the District under the Installment Sale Agreement (hereinafter defined) secured by and payable from net revenues of the Water System on a parity, as to payment and security, with the District's obligations under that certain Installment Sale Agreement, dated as of December 1, 2016, by and between the Public Property Financing Corporation of California and the District;

**WHEREAS**, the District, working together with the CSDA Finance Corporation (the "Corporation"), proposes to finance the Project, as more particularly described in the 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 preliminary official statement containing information material to the offering and sale of the Certificates has been prepared;

**WHEREAS**, pursuant to section 5852.1 of the California Government Code, which became effective on January 1, 2018, by the enactment of Senate Bill 450, certain information relating to the Certificates (hereinafter defined) is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public; 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 (2025 Financing Project) (the “Certificates”) 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 Secretary, be and are hereby approved, and the President, the Vice President, the General Manager or the Operations Manager, or the designee 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, and the Secretary is hereby authorized and directed to attest to such official’s signature:

(a) an acquisition agreement by and between the District, as seller, and the Corporation, as purchaser, pursuant to which the District will sell the Project to the Corporation;

(b) 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 is not greater than \$35,000,000, annual debt service payments will not be in excess of \$2,200,000 and the true interest cost does not exceed 4.75%; and

(c) 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; and

*Section 3.* The Board hereby approves a notice of intention, in the form on file with the Secretary (the “Notice of Intention”), together with any changes therein or additions thereto deemed advisable by any Designated Officer. The 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 Secretary (the “Notice of Sale”), together with any changes therein or additions thereto deemed advisable by any Designated Officer. Wulff, Hansen & Co., 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. 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, at the direction, 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 Vice President, the General Manager, the Secretary, any deputy to the Secretary 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.

*Section 8.* This Resolution shall take effect upon its adoption by this Board.

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**ADOPTED** this February 27, 2025, by the Board of Directors of the Mid-Peninsula Water District by the following vote, to wit:

AYES: Zucca, Schmidt, Vella, Covington, Wheeler

NOES: <sup>0</sup>

ABSENT: <sup>0</sup>

ABSTAIN: <sup>0</sup>

DocuSigned by:

*Kirk Wheeler*

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BOARD PRESIDENT

ATTEST:

Signed by:

*Alison Bell*

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DISTRICT SECRETARY

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates as of February 18, 2025 (including a par amount of \$32,680,000 and an original issue premium of \$856,903.05), that have been provided by the District's municipal advisor and which has been represented to have been provided in good faith:

(A) True Interest Cost of the Certificates: 4.07%

(B) Finance Charges:

Costs of issuance:	\$291,803.05
Underwriter's discount:	<u>245,100.00</u>
Total	\$536,903.05

(C) Net Proceeds to be Received: \$33,000,000  
(net of finance charges)

(D) Total Payment Amount through Maturity: \$57,869,083

The foregoing estimates constitute good faith estimates only.

The principal amount of the Certificates, the true interest cost of the Certificates, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Certificates being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Certificates sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Certificates being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Certificates being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Certificates and the actual principal amount of Certificates sold will be determined by the District based on the timing of the need for proceeds of the Certificates and other factors. The actual interest rates with respect to the Certificates will depend on market interest rates at the time of sale thereof. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.