

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

RESOLUTION NO. 2025-07

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY
APPROVING (1) INSTALLMENT SALE FINANCING TO PROVIDE FINANCING OF
WATER SYSTEM IMPROVEMENTS, AND (2) FINANCING DOCUMENTS AND
RELATED OFFICIAL ACTIONS**

WHEREAS, the San Benito County Water District (the “District”) owns and operates a system for the supply, treatment and distribution of water within its service area comprised of zones of the District (the “Water System”); and

WHEREAS, the District desires to finance various improvements to Zone 6 of the District (“Zone 6”) as described in the hereinafter defined Installment Sale Agreement (the “Project”); and;

WHEREAS, the District and the California Statewide Communities Development Authority have entered into a Joint Exercise of Powers Agreement, dated as of November 1, 2024, establishing the San Benito County Water District Financing Authority (the “Authority”) for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of public capital improvements like the Project; and

WHEREAS, for the purpose of raising funds necessary to finance the Project, the Authority proposes to issue revenue bonds under the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Bond Law”), designated as the San Benito County Water District Financing Authority 2025 Water Revenue Bonds (the “Bonds”); and

WHEREAS, pursuant to an Installment Sale Agreement between the District and the Authority (the “Installment Sale Agreement”), the District will purchase the Project from the Authority, and the Authority will use the installment payments made by the District to the Authority pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information concerning the District, Zone 6 of the Water System and the Bonds to be used in connection with the sale of the Bonds; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the proposed financing is set forth in the staff report accompanying this Resolution, and such information is hereby disclosed and made public; and

WHEREAS, the governing board (the “Board”) of the Authority has duly considered such transactions and wishes at this time to approve the financing documents related to the Bonds and certain related actions.

NOW, THEREFORE, BE IT RESOLVED by the San Benito County Water District Financing Authority as follows:

1. Issuance of Bonds. The Board hereby authorizes the issuance of the Bonds under the Bond Law for the purpose of providing funds to finance the acquisition, construction and installation of the Project. The aggregate principal amount of the Bonds shall not exceed \$42,000,000.

2. Approval of Related Financing Agreements. The Board hereby approves each of the following agreements relating to the issuance and sale of the Bonds, in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer (each, an “Authorized Officer”), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest to, if necessary, the final form of each of the following agreements:

- Indenture of Trust, between the Authority and U.S. Bank Trust Company, National Association, as trustee, setting forth the terms and provisions relating to the Bonds.
- Installment Sale Agreement, between the Authority and the District, under which the Authority agrees to provide financing for the Project and to sell the completed Project to the District in consideration of the payment by the District of semiannual installment payments which are sufficient to provide revenues with which to pay principal of, and interest on, the Bonds when due, which installment payments will be secured by and payable from the net revenues generated by Zone 6, as described more fully therein.

3. Sale of Bonds. The Board hereby approves the sale of the Bonds by negotiation with Stifel, Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”). The Bonds shall be sold to the Underwriter under the Bond Purchase Agreement among the Authority, the District and the Underwriter, which is hereby approved in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions; provided, that the Underwriter’s discount shall not exceed 0.7%, and the true interest cost of the Bonds shall not exceed 5.50%. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the Authority.

4. Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the Secretary. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Authority’s determination that said preliminary Official Statement has been deemed final within the meaning of said Rule.

The Board approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The Board authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

5. Official Actions. The Chair, Executive Director, Treasurer, Secretary and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

6. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

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PASSED AND ADOPTED by the Board of Directors of the San Benito County Water District Financing Authority during a regular meeting, this 30th day of April, 2025, by the following vote:

AYES: Williams, Wright, Flores & Tonascia

NOES: None

ABSTAIN: None

ABSENT: Freeman

<p>ATTEST:</p> <p><u>/s/Barbara L. Mauro</u> Barbara L. Mauro Board Secretary</p>	<p>APPROVED:</p> <p><u>/s/Doug Williams</u> Doug Williams Board President</p>
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