

Esparto Community Services District

Resolution No. 21-02

**AUTHORIZING THE REFINANCING OF PRIOR OBLIGATIONS OF THE
WATER SYSTEM AND WASTEWATER SYSTEM OF THE DISTRICT,
AND HIRING FINANCING TEAM**

WHEREAS, the District owns and operates a system for the supply, treatment and distribution of water within the service area of the District (the "Water System"), and in order to provide funds to finance improvements to the Water System, the District previously caused the execution and delivery of its 2008A (Water Project) Certificates of Participation (the "Prior Water Obligation");

WHEREAS, the District owns and operates a system for the collection, treatment and disposal of wastewater within the service area of the District (the "Wastewater System"), and in order to provide funds to finance improvements to the Wastewater System, the District previously caused the execution and delivery of its 2008B (Wastewater Project) Certificates of Participation (the "Prior Wastewater Obligations");

WHEREAS, the Prior Water Obligations and the Prior Wastewater Obligations are collectively referred to herein as the "Prior Obligations"; and

WHEREAS, the District desires to refund the Prior Obligations via entrance into one or more indentures, loan agreements or other obligations of the District secured by and payable from the net revenues of the Water System and the Wastewater System, as applicable (the "Refunding Obligation(s)"); and

WHEREAS, the Board of Directors desires to authorize and direct District staff, (General Manager), to enter into services contracts with consultants to the District to assist with the refinancing of the Prior Obligations, and negotiate financing documents required for the Refunding Obligation(s), with such financing documents to be approved by the Board of Directors at a subsequent meeting.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE ESPARTO COMMUNITY SERVICES DISTRICT HEREBY FINDS, DETERMINES AND RESOLVES:

Section 1. Authorization of Refinancing Transaction. The Board of Directors hereby authorizes and directs the General Manager to proceed with the structuring and negotiation of the refinancing of the Prior Obligations, in consultation with consultants to be hired by the District pursuant to this Resolution. The refinancing of the Prior Obligations shall be effectuated via entrance into one or more Refunding Obligation(s), with the structure, terms and conditions of the Refunding Obligation(s) being subject to final approval by the Board of Directors at a future meeting.

Section 2. Professional Services. In connection with the refinancing transaction described in this Resolution, the firm of W. J. Fawell Co. is designated to serve as financial advisor to the District, the firm of Hilltop Securities Inc. is designated to serve as underwriter or placement agent to the District, and the firm of Jones Hall, A Professional Law Corporation, is designated to serve as bond counsel and disclosure counsel to the District. Compensation to said firms shall be contingent upon the successful execution and delivery of the Refunding Obligation(s), and paid from a portion of the proceeds of the Refunding Obligation(s). The Board of Directors hereby authorizes the execution by the General Manager of an agreement with each of said firms, in the respective forms on file for this meeting.

Section 3. Official Actions. Whenever in this Resolution any officer of the District is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED at the Special Meeting of the Board of Directors held on the 10th day of March, 2021 by the following vote:

AYES: 5
NOES: 0
ABSTAIN: 0
ABSENT: 0

ATTEST: 
Steven Knightley
Board Secretary


W. Don England
Board Chairperson