

Esparto Community Services District

Resolution No. 21-05

**AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF REVENUE
REFUNDING BONDS TO REFINANCE OUTSTANDING PRIOR
OBLIGATIONS OF THE WATER SYSTEM AND WASTEWATER
SYSTEM, AND APPROVING RELATED AGREEMENTS AND ACTIONS**

WHEREAS, the District owns and operates a system for the production, supply, treatment, storage 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, conveyance, 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 Obligation");

WHEREAS, in order to realize interest rate savings, the Board of Directors has determined at this time to refinance the Prior Water Obligation and the Prior Wastewater Obligation via the issuance of revenue refunding bonds under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said code (the "Bond Law"); and

WHEREAS, the information required to be obtained and disclosed with respect to the refunding bonds by the Board of Directors in accordance with Government Code Section 5852.1 is set forth in the staff report accompanying this Resolution; and

WHEREAS, the Board of Directors has duly considered such transactions and wishes at this time to approve said transactions in the public interest of the District.

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 Series A Bonds (Water System). In order to refinance the Prior Water Obligation, the Board of Directors hereby authorizes the issuance of revenue refunding bonds (the "Series A Bonds") under the Bond Law payable from the net revenues of the Water System, as described in more detail in the Indenture of Trust related to the Series A Bonds on file with the Board, in an amount not to exceed \$3,200,000.

Section 2. Authorization of Series B Bonds (Wastewater System). In order to refinance the Prior Wastewater Obligation, the Board of Directors hereby authorizes the issuance of revenue refunding bonds (the "Series B Bonds") under the Bond Law payable from the net revenues of the Wastewater System, as described in more detail in the

Indenture of Trust related to the Series B Bonds on file with the Board, in an amount not to exceed \$1,500,000.

Section 3. Approval of Indenture of Trust for Series A Bonds and Series B Bonds. The Series A Bonds shall be issued under an Indenture of Trust related thereto between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and the Series B Bonds shall be issued under an Indenture of Trust related thereto, between the District and the Trustee. Each Indenture of Trust is hereby approved in substantially the form on file with the Board, together with any changes therein or additions thereto deemed advisable by the Board Chairperson or General Manager/Board Secretary (each, an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of such changes and additions. The Board of Directors hereby authorizes and directs an Authorized Officer to execute, and the Board Secretary to attest, each Indenture of Trust for and in the name of the District. The Board of Directors hereby authorizes the delivery and performance of each Indenture of Trust.

Section 4. Sale of the Bonds; Approval of Bond Purchase Agreement. The Board of Directors hereby authorizes and directs that the Series A Bonds and the Series B Bonds (together, the "Bonds") shall be sold on a negotiated basis to Hilltop Securities, Inc., as underwriter (the "Underwriter"), pursuant to the Bond Purchase Agreement, in substantially the form on file with the Board, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute the final form of the Bond Purchase Agreement for and in the name and on behalf of the District; provided, that the principal amount of the Series A Bonds and Series B Bonds shall not exceed the amounts set forth in Sections 1 and 2 of this Resolution, respectively, the minimum net present value savings, on a series-by-series basis, shall be at least equal to 5.0%, and the Underwriter's discount, on a series-by-series basis, shall not exceed 2.0%.

Section 5. Official Statement. The Board of Directors hereby approves the preliminary Official Statement describing the Bonds, the Water System and the Wastewater System in the form on file with the Board, and authorizes an Authorized Officer to approve revisions to said preliminary Official Statement. At the request of the Underwriter, an Authorized Officer shall execute a certificate deeming the preliminary Official Statement, as so revised, to be final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934. Distribution of the Preliminary Official Statement to prospective purchasers of the Bonds by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board of Directors hereby authorizes the distribution of the final Official Statement. The final Official Statement shall be executed in the name and on behalf of the District by an Authorized Officer.

Section 6. Continuing Disclosure Certificate. The Board of Directors hereby approves the Continuing Disclosure Certificate to be executed by the District in connection with the issuance of the Bonds, the form of which is attached as an exhibit to the Preliminary Official Statement. Each of the Authorized Officers is hereby authorized and directed to approve any changes in or additions to a final form of said Continuing

Disclosure Certificate, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The final Continuing Disclosure Certificate covering each series of the Bonds shall be executed in the name and on behalf of the District by an Authorized Officer.

Section 7. Official Actions. The Board Chairperson, the General Manager/Board Secretary, and the other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions described by this Resolution. Whenever in this Resolution any Authorized Officer or other officer or official of the District is authorized 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 if such officer is absent or unavailable.

Section 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED at the Meeting of the Board of Directors held on the 2nd day of June, 2021 by the following vote:

AYES: 4
NOES: 0
ABSTAIN: 0
ABSENT: 1

ATTEST: 
Steven Knightley
Board Secretary



W. Don England
Board Chairperson