

RESOLUTION NO. WA-2022-01

A RESOLUTION OF THE COACHELLA WATER AUTHORITY APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$6,000,000 PRINCIPAL AMOUNT OF ITS WATER REVENUE REFUNDING BONDS, 2022A SERIES AND \$7,000,000 PRINCIPAL MOUNT OF ITS WATER REVENUE REFUNDING BONDS, 2022B SERIES (FORWARD DELIVERY), APPROVING AN INDENTURE OF TRUST FOR EACH SERIES, A BOND PURCHASE CONTRACT FOR EACH SERIES, A CONTINUING DISCLOSURE AGREEMENT FOR EACH SERIES, AN ESCROW AGREEMENT AND A PRELIMINARY OFFICIAL STATEMENT, AUTHORIZING AND DIRECTING THE EXECUTION THEREOF AND AUTHORIZING ACTIONS RELATED THERETO

WHEREAS, the Coachella Water Authority (the “Authority”) is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of July 1, 2003, by and between the City of Coachella (the “City”) and the Coachella Redevelopment Agency (the “Agency” and, with the City, the “Members”), and under the provisions of Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing and refinancing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities, including the Members, and to provide financing for public capital improvements of public entities, including the Members; and

WHEREAS, the Authority has previously issued its Water Revenue Bonds (USDA) Series 2008 (the “2008 Bonds”); and

WHEREAS, the Authority has previously issued its Water Revenue Refunding Bonds, 2012 Series (the “2012 Bonds”); and

WHEREAS, the Authority is authorized pursuant to the provisions of sections 6584 *et seq.* of the Act (the “Bond Law”), to issue its revenue bonds for the purpose of financing and refinancing facilities for the production, storage, transmission, or treatment of water; and

WHEREAS, payment of the principal of and interest on the revenue bonds will be secured by a pledge of net revenues received by the Authority from the operation by the City of its water system (the “Enterprise”); and

WHEREAS, the Authority, after due investigation and deliberation, has determined that it is in the interests of the Authority at this time to provide for the issuance of bonds under the Bond Law to (a) refinance the 2008 Bonds and the 2012 Bonds, (b) finance certain improvements to the Enterprise, and (c) pay the costs of issuance of such bonds; and

WHEREAS, to that end, the Authority has determined to issue two series of its revenue bonds, to be designated as the Coachella Water Authority Water Revenue Refunding Bonds, 2022A Series, in the principal amount not to exceed \$6,000,000, and Coachella Water Authority Water Revenue Refunding Bonds, 2022B Series (Forward Delivery) (the “2022A Bonds,” the “2022B Bonds,” and collectively, the “Bonds”), in the principal amount not to exceed \$7,000,000, to be secured by a pledge of the net revenues derived from the operation of the Enterprise; and

WHEREAS, the Authority previously adopted Resolution No. WA-2021-09 authorizing and directing staff to undertake the process of issuing the Bonds; and

WHEREAS, the firm of Stifel Nicolaus & Company, Incorporated (the "Underwriter") has proposed to purchase the Bonds; and

WHEREAS, the Board of Directors (the "Board") of the Authority has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Authority.

NOW, THEREFORE, THE COACHELLA WATER AUTHORITY DOES HEREBY FIND, ORDER, AND RESOLVE AS FOLLOWS:

Section 1. Determination to Carry Out Project. The Board hereby determines to carry out the issuance and sale of the Bonds and the financing and refinancing of certain improvements to the Enterprise.

Section 2. Issuance of the Bonds; Approval of Indenture.

(a) The Board hereby authorizes the issuance of the Bonds. The maximum aggregate principal amount of the 2022A Bonds shall not exceed \$6,000,000 and the maximum aggregate principal amount of the 2022B Bonds shall not exceed \$7,000,000.

(b) Each series of the Bonds shall be issued pursuant to an Indenture of Trust (the “Indenture”), by and between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”). The Board hereby approves the Indenture in substantially the form on file with the Secretary, together with such additions thereto and changes therein as the President, the Vice President, the Executive Director or the Treasurer of the Authority (the "Designated Officers") shall deem necessary, desirable or appropriate, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the Indenture for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the Indenture.

Section 3. Approval of Continuing Disclosure Agreement. The Authority hereby approves the Continuing Disclosure Agreement (the "Disclosure Agreement") for each series of the Bonds, in substantially the form of the Disclosure Agreement on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by the Authority shall be conclusive

evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the Disclosure Agreement for and in the name and on behalf of the Authority. The Authority hereby authorizes the delivery and performance of the Disclosure Agreement.

Section 4. Approval of Escrow Agreement. The Authority hereby approves the Escrow Agreement (the "Escrow Agreement") in substantially the form of the Escrow Agreement on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the Escrow Agreement for and in the name and on behalf of the Authority. The Authority hereby authorizes the delivery and performance of the Escrow Agreement.

Section 5. Sale of Bonds. The Board hereby approves the sale of the Bonds by the Authority by negotiation with the Underwriter, pursuant to the Bond Purchase Contracts (the "Purchase Contracts") in substantially the forms on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes, so long as the true interest cost shall not exceed 4.00%. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final forms of the Purchase Contracts for and in the name and on behalf of the Authority upon the submission of an offer by the Underwriter to purchase the Bonds, which offer is acceptable to a Designated Officer and consistent with the requirements of this Resolution. The amount of Underwriter's discount for each series of the Bonds shall be not more than 0.60% of the par amount thereof (not taking into account any original issue discount on the sale thereof).

Section 6. Official Statement. The Authority hereby approves a Preliminary Official Statement (the "Preliminary Official Statement") in substantially the form on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate. The Designated Officers, each acting alone, are hereby authorized and directed to deem final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 except for permitted omissions, the Preliminary Official Statement. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. The Designated Officers, each acting alone, are hereby authorized to execute the final form of an Official Statement (including any updates thereto, the "Official Statement"), including as it may be modified by such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, and the execution of the Official Statement by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Authority hereby authorizes the distribution of the Official Statement by the Underwriter. The Official Statement shall be executed in the name and on behalf of the Authority by a Designated Officer.

Section 7. Municipal Bond Insurance and Reserve Fund Surety. The Authority hereby authorizes the Executive Director to select a municipal bond insurer to insure payments of principal of and interest on all or a portion of the Bonds so long as the Executive Director determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to such Bonds. The Authority hereby authorizes the Executive Director to also obtain a debt service reserve policy from a municipal bond insurer provided such debt service reserve policy provides debt service savings or other benefits to the proposed transaction, as determined by the Executive Director. Bond Counsel is hereby directed to make all changes to the Indentures, the Preliminary Official Statement, the Purchase Contracts, the Escrow Agreement and the Continuing Disclosure Agreements, as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

Section 8. Official Actions. The President, the Vice President, the Executive Director, the Treasurer, the Secretary and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, 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 lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

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

PASSED, APPROVED and ADOPTED, this 26th day of January 2022.

Steven A Hernandez, President

ATTEST:

Angela M. Zepeda, Secretary

APPROVED AS TO FORM:

Carlos Campos, Authority Counsel

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF COACHELLA)

I HEREBY CERTIFY that the foregoing Resolution No. WA-2022-01 was duly adopted by the Board of Directors of the Coachella Water Authority at a regular meeting thereof, held on this 26th day of January 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Andrea J. Carranza, MMC
Deputy City Clerk