

RESOLUTION NO. 2023-22

A RESOLUTION OF THE BOARD OF DIRECTORS OF MISSION SPRINGS WATER DISTRICT AUTHORIZING THE AUTHORIZING THE SELECTION OF A LENDER; AUTHORIZING THE PREPARATION, NEGOTIATION, EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE/PURCHASE AGREEMENT TO FINANCE CERTAIN ENERGY EFFICIENCY EQUIPMENT AND IMPROVEMENTS AND REFINANCE CERTAIN CAPITAL IMPROVEMENTS; AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Mission Springs Water District (the “District”) intends to undertake certain energy efficiency projects (collectively, the “Project”).

WHEREAS, the District has solicited proposals from financial institutions to finance construction of the Project.

WHEREAS, the District desires to refinance certain capital improvements (the “Refinancing Project”) which were previously financed by: (i) the Installment Sale Agreement, dated as of December 1, 2013 (the “2013 Agreement”), by and between the District and Municipal Finance Corporation (“MFC”); (ii) the Installment Sale Agreement, dated as of November 1, 2014 (the “2014 Agreement”), by and between the District and PNC Bank, National Association (formerly Compass Bank; and (iii) the Loan Agreement #17-017, dated as of December 22, 2017 (the “2017 Agreement”), by and between the District and MFC.

WHEREAS, Banc of America Public Capital Corp (“BofA”) has offered to enter into an Installment Sale Agreement in substantially the form that is attached hereto as Exhibit B (the “Obligation”) and the District has determined that BofA’s proposal reflects the most advantageous terms to the District to accomplish the financing of the Project and the refinancing of the Refinancing Project.

BY THIS RESOLUTION, BE IT RESOLVED, DETERMINED AND ORDERED that the Board of Directors of the District hereby directs as follows:

1. The above recitations are true.
2. In accordance with Government Code § 5852.1, the District has obtained required good faith estimates relating to the Obligation, and such estimates are disclosed and set forth in Exhibit A.
3. The President, Vice President, General Manager (or Interim General Manager) and Director of Finance (collectively, the “Authorized Officers”) are each hereby authorized and directed, for and in the name of the District, to execute and deliver the Obligation in a form acceptable to the Authorized Officer executing the same in consultation with Stradling Yocca Carlson & Rauth, a Professional Corporation (the District’s Bond Counsel), and the District’s General Counsel; provided, however, that the aggregate principal amount of the payments to be made by the District under the Obligation shall not exceed \$24,500,000 and the interest rate component of the payments to be made by the District under the Obligation shall not exceed an interest rate of 4.25% (except in the case of any increase due to a late payment or a default or an event of taxability).
4. The Authorized Officers and other officers, employees and agents of the District are hereby authorized and directed, jointly and severally, to do any and all things which they may deem

necessary or advisable and to execute and deliver any and all documents which they may deem necessary and advisable in order to consummate the negotiation, execution, and delivery of the Obligation and related agreements and certificates, including but not limited an Escrow and Account Control Agreement governing the disbursement of proceeds of the Obligation, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. All actions heretofore taken by the officers, employees and agents of the District with respect to the transactions set forth above, including, but not limited to, the distribution of a request for proposals and execution of a term sheet with BofA, are hereby approved, confirmed and ratified.

5. This Resolution shall take effect from and after its date of adoption.

ADOPTED this ____ day of October 2023.

Ayes:

Noes:

Absent:

Abstain:

Russ Martin
President of Mission Springs Water District
and its Board of Directors

ATTEST:

Brian Macy
Secretary of Mission Springs Water District
and its Board of Directors

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by Banc of America Public Capital Corp (solely in its capacity as a private lender, and not as a broker, dealer, underwriter, municipal advisor or fiduciary to the District and/or in connection with the Obligation). The following information consists of estimates based on a principal amount of the Obligation of \$21,798,987:

- (A) True Interest Cost of the Obligation: 4.25%
- (B) Finance Charge of the Obligation (Sum of all fees/charges paid to third parties): \$35,000
- (C) Net Proceeds of the Obligation to be Received (net of finance charges, reserves and capitalized interest, if any): \$21,763,987
- (D) Total Payment Amount through Maturity of the Obligation: \$33,191,281

The foregoing constitute good faith estimates only. The principal amount of the Obligation, the true interest cost of the Obligation, 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 Obligation being different than the date assumed for purposes of such estimates; (b) the actual principal amount of the Obligation being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Obligation being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of execution of the Obligation 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 execution date of the Obligation and the actual principal amount of the Obligation will be determined by the District based on a variety of factors. The actual interest rate borne by the Obligation will be determined at the time of execution thereof.

EXHIBIT B
INSTALLMENT SALE AGREEMENT