

**RURAL NORTH VACAVILLE WATER DISTRICT
VACAVILLE, SOLANO COUNTY, CALIFORNIA**

RESOLUTION NO. 2021-59

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A
SECURITIZED LIMITED OBLIGATION NOTE IN THE PRINCIPAL
AMOUNT OF UP TO \$1,200,000 SOLELY FOR THE PURPOSE OF
FINANCING THE ACQUISITION OR IMPROVEMENT OF CAPITAL
EXPENDITURES FOR THE WATER SYSTEM OF THE DISTRICT AND
APPROVING CERTAIN OTHER ACTIONS AND DOCUMENTS IN
CONNECTION THEREWITH**

WHEREAS, the Rural North Vacaville Water District, a California community services district (the “District”) desires to finance capital expenditures consisting of the acquisition and improvement of land, facilities and/or equipment (collectively, the “Project”) for the District’s water system (as now existing and hereafter improved and expanded, the “System”); and

WHEREAS, the District desires to execute and deliver a securitized limited obligation note (the “Obligation”) pursuant to California Government Code Section 53835 et seq., in an amount estimated to be (and not to exceed) \$1,200,000 solely for the purposes of financing such Project, which amount the District has determined will be sufficient to finance the Project; and

WHEREAS, the Obligation is to be payable solely from the net revenues of the System after payment of the reasonable expenses of operation and maintenance of the System (collectively, the “Specified Revenues”); and

WHEREAS, the Obligation, the related Credit Agreement, and related documents (collectively, the “Financing Documents”) reflecting terms within the parameters set out in Section 1 below and otherwise not inconsistent with this Resolution, shall be substantially in the forms presented with this Resolution, are to be approved in final form by one or more Authorized Officers (defined below) in consultation with legal counsel to the District, and are to be executed by the manual signatures of one or more Authorized Officers pursuant to this Resolution; and

WHEREAS, under Section 5852.1 of the Government Code of the State of California (“Section 5852.1”), the Board of Directors of the District (the “Board”) must obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the Obligation, good faith estimates of: (a) the true interest cost of the payments made pursuant to the Obligation (the “Payments”), (b) the finance charge of the Obligation, meaning the sum of all fees and charges paid to third parties, (c) the amount of proceeds of the Obligation received less the finance charge described above and any reserves or capitalized interest paid or funded with proceeds of the Obligation, and (d) the sum total of all Payments calculated to the final payment date under the Obligation plus the fees and charges paid to third parties not paid with the proceeds of the Obligation; and

WHEREAS, CoBank, ACB (the “Bank”) has made a proposal to the District to finance the Project which District staff and legal counsel have deemed acceptable and have recommended to the Board, and

WHEREAS, in accordance with Section 5852.1, the Board has obtained from the Bank the good faith estimates required under Section 5852.1, and such estimates are disclosed in Exhibit A attached hereto (the “Good Faith Estimate”); and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have been met;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors (the “Board”) of the District as follows:

1. The execution, delivery and performance by the District of the Obligation and the other Financing Documents are hereby approved, and the President and Vice-President of the Board of Directors and the General Manager of the District (each, an “Authorized Officer”) are each, acting alone, authorized to execute, acknowledge and deliver the Obligation and the other Financing Documents on behalf of the District; provided, however:

(a) The principal amount of the Obligation shall be in an amount not to exceed \$1,200,000;

(b) The interest rate applicable to the Obligation shall either be a variable rate of interest as provided in the Obligation or a rate of interest fixed pursuant to the terms of the Obligation, in either case not to exceed the rate permitted under Article 7 (commencing with Section 53530) of Chapter 3, California Government Code, except as such limitation is superseded by 12 U.S.C. 2205;

(c) The Obligation shall have a term to maturity of not more than ten (10) years after the date of issuance of the Obligation;

(d) The Obligation shall be secured by a first lien on the Specified Revenues, which Specified Revenues are hereby pledged to the holder of the Obligation as security for the obligations of the District under the Obligation and the other Financing Documents; and

(e) The Obligation and the other Financing Documents may include such other provisions and covenants as may be required by the Bank, such as a debt service reserve fund, a debt service coverage covenant, financial reporting covenants, and other customary affirmative and negative covenants.

2. The approval of the Obligation and the Financing Documents given by this Resolution shall apply to any modification or amendment of any of said document which is agreed upon and approved by the Authorized Officer executing the Obligation and the Financing Documents in consultation with legal counsel to the District, as being necessary to carry out the provisions thereof and the authorizations and direction provided in this Resolution; the execution of such Financing Documents by an Authorized Officer shall constitute conclusive evidence of the approval of any and all modifications to such documents pursuant to this Resolution.

3. Each Authorized Officer and the other officers of the District are hereby authorized and directed, individually, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the execution and delivery of the agreements approved hereby and to otherwise effectuate the purpose of

this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

4. This Resolution shall take effect immediately upon its adoption.

5. The Board Clerk/Administrator shall certify to the passage and adoption of this Resolution and enter it into the official records of the District.

[NO FURTHER TEXT ON THIS PAGE]

The foregoing Resolution is duly passed and adopted by the Board of the Rural North Vacaville Water District, County of Solano, State of California, at a regular or special meeting of said Board, held on the 10th day of August, 2021, by the following vote of at least four-fifths of all of the members of the Board:

AYES: Chris Calvert, Bob Whitehouse, Patrick Sweeney, Steven Strickland

NOES: Elizabeth Miles

ABSENT: None

DocuSigned by:
Chris Calvert
1BF93E8E38204BC...

President

ATTEST:

DocuSigned by:
Nancy Veerkamp
2FFDB1E7F2EB420...

Clerk/Administrator

Exhibit A

Good Faith Estimate

Set forth below are **good faith estimates** of CoBank, ACB, a private lender, as required under Section 5852.1 of the California Government Code (the “Code”) for the Obligation to finance the acquisition, construction, installation and equipping of certain capital improvements for the District’s water system. **The following estimates have no bearing on, and should not be misconstrued as, affecting or imposing any not-to-exceed financial parameters authorized by resolution.**

(a) The true interest cost of the payments under the Obligation is estimated at 2.80%, calculated as provided in Section 5852.1(a)(1)(A) of the Code and based on the current taxable fixed rate option.

(b) The finance charge of the Obligation, including all fees and charges paid to third parties, is estimated at \$7,500.

(c) Proceeds of the Obligation received by the District of up to \$1,200,000 less the finance charges set forth in (b) above, is equal up to \$1,192,500.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at up to \$1,383,094.47.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.