

SONOMA COUNTY WATER AGENCY

ORDINANCE NO. ____

**(Supplemental to Ordinance No. 1, Adopted December 28, 1970,
as previously amended and supplemented through December 3, 2002)**

**Eleventh Supplemental Ordinance
Providing for the Issuance of Not to Exceed \$30,000,000
Principal Amount of Sonoma County Water Agency
Water Revenue Bonds, 2022 Series A**

Adopted _____, 2022

Eleventh Supplemental Ordinance Providing For The Issuance Of Not To Exceed
\$30,000,000 Principal Amount Of
Sonoma County Water Agency Water Revenue Bonds,
2022 Series A

WHEREAS, the Board of Directors of Sonoma County Water Agency ("Sonoma Water") on December 28, 1970, duly adopted its Ordinance No. 1 (as heretofore amended and supplemented through the date of the adoption of this Eleventh Supplemental Ordinance, the "Master Ordinance"), to provide for the issuance of Sonoma County Water Agency Bonds (the "Bonds");

WHEREAS, in connection with the issuance of its 2003 Series A Bonds, Sonoma Water adopted Ordinance No. 38 entitled "Sixth Supplemental Ordinance Providing for the Issuance of Not to Exceed \$19,500,000 Principal Amount of Sonoma County Water Agency Water Revenue Bonds, 2003 Series A and the Modification of Certain Provisions of Ordinance No. 1 Adopted December 28, 1970, as Amended and Supplemented to Date," which amended certain provisions of the Master Ordinance;

WHEREAS, in connection with the issuance of its 2006 Series A Bonds, Sonoma Water adopted Ordinance No. 48 entitled "Seventh Supplemental Ordinance Providing for the Issuance of Not to Exceed \$15,000,000 Principal Amount of Sonoma County Water Agency Water Revenue Bonds, 2006 Series A";

WHEREAS, in connection with the issuance of its 2012 Series A Bonds, Sonoma Water adopted Resolution No. 12-0337 entitled "Eighth Supplemental Resolution Providing for the Issuance of Not to Exceed \$15,500,000 Principal Amount of Sonoma County Water Agency Water Revenue Refunding Bonds, 2012 Series A";

WHEREAS, in connection with the issuance of its 2015 Series A Bonds and 2015 Series A-T Bonds (Federally Taxable), Sonoma Water adopted Ordinance No. 6133 entitled "Ninth Supplemental Ordinance Providing for the Issuance of Not to Exceed \$35,000,000 Principal Amount of Sonoma County Water Agency Water Revenue Bonds, 2015 Series A and 2015 Series A-T (Federally Taxable)";

WHEREAS, in connection with the issuance of its 2019 Series A Bonds, Sonoma Water adopted Ordinance No. 6261 entitled "Tenth Supplemental Ordinance Providing for the Issuance of Not to Exceed \$14,500,000 Principal Amount of Sonoma County Water Agency Water Revenue Bonds, 2019 Series A";

WHEREAS, the Master Ordinance provides that Sonoma Water may issue Bonds from time to time as the issuance thereof is authorized by Sonoma Water by a Supplemental Ordinance, subject to the conditions and limitations contained in the Act (as such term is defined in the Master Ordinance) and in Sections 3.01, 3.02, 3.06 and 18.06 of the Master Ordinance;

WHEREAS, Section 3.05 of the Master Ordinance also provides that Sonoma Water may issue Bonds pursuant to the Master Ordinance from time to time to refund Bonds previously issued under the Master Ordinance, subject to the terms and conditions of said Section 3.05;

WHEREAS, Sonoma Water intends to issue a series of Bonds pursuant to the Master Ordinance and this Eleventh Supplemental Ordinance in the principal amount not to exceed \$30,000,000 designated the "Sonoma County Water Agency Water Revenue Bonds, 2022 Series A" (the "2022 Bonds") to provide moneys for the following purposes: (a) to finance facilities and improvements to increase the reliability and capacity of Sonoma Water's water transmission system, including without limitation any projects set forth in Sonoma Water's "Water Transmission Long Range Financial Plan," as it may be amended from time to time (collectively, the "2022 Improvements"), and (b) to refund, in whole or in part, the outstanding 2012 Series A Bonds, subject to market conditions on the pricing date for the 2022 Bonds;

WHEREAS, the 2022 Bonds will be issued as Parity Obligations under the Master Ordinance and the debt service thereon will be payable from Net Revenues on a parity with the debt service on the 2019 Series A Bonds, the 2015 Series A Bonds, the 2015 Series A-T Bonds, and the State Loan;

WHEREAS, the conditions and limitations contained in Sections 3.01, 3.02, 3.05, 3.06 and 18.06 of the Master Ordinance have been satisfied or will be satisfied at the time of the issuance of the 2022 Bonds; and

WHEREAS, the 2022 Bonds will are being issued, sold and delivered pursuant to the authority contained in Act and in Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Revenue Bond Law");

WHEREAS, in accordance with Section 30.17 of the Act, the Board has held a public hearing at which time all interested parties were given the opportunity to be heard on the question of whether this Eleventh Supplemental Ordinance should be adopted, notice of said public hearing having been published once in a newspaper of general circulation in Sonoma Water's boundaries not less than thirty days prior to the date of the hearing;

WHEREAS, the Board has determined, following said hearing, that this Eleventh Supplemental Ordinance should be adopted;

WHEREAS, the Board has determined that this Eleventh Supplemental Ordinance shall be effective immediately upon its publication and shall be operative as of the date of issuance of its 2022 Bonds; and

WHEREAS, it is the intent of Sonoma Water that this Eleventh Supplemental Ordinance supplement the Master Ordinance, and that all of the provisions of the Master Ordinance be incorporated herein as if fully set forth herein;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sonoma County Water Agency, as follows:

Article XXIII

Issue of 2022 Bonds

Section 23.01. Issuance of 2022 Bonds.

A series of Bonds to be issued under the Master Ordinance is hereby created. The provisions of this Eleventh Supplemental Ordinance in Article XXIII, other than in Section 23.10, shall remain in effect only so long as any of the 2022 Bonds are Outstanding. The 2022 Bonds are being issued on a parity with the 2019 Series A Bonds, the 2015 Series A Bonds, the 2015 Series A-T Bonds, and the State Loan.

Upon the execution and delivery of this Eleventh Supplemental Ordinance, Sonoma Water shall execute and deliver 2022 Bonds in an original principal amount not to exceed \$30,000,000 to the Trustee for authentication and delivery to the Participating Underwriter with respect to the 2022 Bonds upon the Request of the Agency.

Section 23.02. Application of Proceeds of Sale of 2022 Bonds.

(a) Upon the receipt by the Trustee of payment for the 2022 Bonds on the Closing Date in an amount equal to the principal amount of the 2022 Bonds, plus net original issue premium, if any, less net original issue discount, if any, less the underwriter's discount, and less the Municipal Bond Insurance Policy premium, if any, shall be deposited in the Bond Proceeds Fund, which is hereby created as a temporary fund to be held by the Trustee. Following such deposit, the Trustee shall promptly disburse amounts on deposit in the Bond Proceeds Fund as follows:

(i) The Trustee shall transfer to the 2022 Cost of Issuance Fund (created in Section 23.05 below) an amount equal to the Costs of Issuance (as defined in Section 23.05 below).

(ii) If and to the extent Sonoma Water determines to refund the 2012 Series A Bonds based on market conditions on the pricing date for the 2022 Bonds, the Trustee shall deposit in the 2022 Series A Refunding Fund (as defined below) the amount of proceeds determined to be necessary to refund, and to redeem on July 1, 2022, in whole or in part, as applicable, the 2012 Series A Bonds.

(iii) The Trustee shall transfer the remaining proceeds of the 2022 Bonds on deposit in the Bond Proceeds Fund to the Treasurer for deposit in the 2022 Series A Account of the Construction Fund (created in Section 23.04 below).

(iv) Upon the Treasurer's disbursement and transfer of such amounts, the Trustee shall close the Bond Proceeds Fund.

(b) Sonoma Water shall provide the Trustee a Certificate of the Agency or a Request of the Agency specifying the amount of each such deposit or transfer to be made on the Closing Date.

Section 23.03. Refunding Fund.

If and to the extent Sonoma Water determines to refund the 2012 Series A Bonds based on market conditions on the pricing date for the 2022 Bonds, on the Closing Date, the Trustee shall deposit in the "Sonoma County Water Agency Water Revenue Bonds, 2022 Series A Refunding

Fund (the "2022 Series A Refunding Fund"), which is to be held by the Trustee and is hereby created, the amount required by Section 23.02(a)(ii). The Trustee shall apply such amounts to refund and redeem 2012 Series A Bonds as directed in a Request of the Agency, which may be in the form of an escrow deposit and trust agreement or irrevocable refunding instructions, and, upon the redemption of the 2012 Series A Bonds, shall then close the 2022 Series A Refunding Fund.

Section 23.04. Construction Fund.

(a) There is hereby created within the Construction Fund held by the Treasurer a "2022 Series A Account."

(b) The Treasurer shall disburse amounts on deposit in the 2022 Series A Account of the Construction Fund as provided in Section 3.04 hereof, in order to acquire and pay for the 2022 Improvements. The Treasurer shall account for all funds on deposit in the 2022 Series A Account of the Construction Fund separate and apart from all other funds of Sonoma Water.

Section 23.05. 2022 Cost of Issuance Fund.

There is hereby created a fund to be known as the "Sonoma County Water Agency Water Revenue Bonds, 2022 Cost of Issuance Fund" (the "2022 Cost of Issuance Fund"), which is to be held by the Trustee and is hereby created. The moneys in the 2022 Cost of Issuance Fund shall be used in the manner provided by law solely for the purpose of the payment of Costs of Issuance upon receipt by the Trustee of invoices, accompanied by a signed Request of the Agency to pay such invoices, on or after the Closing Date. Such Request shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request or in the invoices submitted in accordance therewith and the Trustee may rely on such payment instructions though given by Sonoma Water with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

Any funds remaining in the 2022 Cost of Issuance Fund 90 days after the Closing Date shall be transferred by the Trustee to the Debt Service Fund and the Trustee shall, upon making such transfer, close the 2022 Cost of Issuance Fund.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of the 2022 Bonds, including but not limited to compensation, fees and expenses of Sonoma Water and the Trustee and their respective counsel, compensation to any financial consultants and underwriters, legal fees and expenses, municipal bond insurance or surety bond premiums, publication, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

Section 23.06. Terms of 2022 Bonds.

The 2022 Bonds are authorized to be issued by Sonoma Water under and subject to the Act, the Revenue Bond Law and the terms of the Master Ordinance and shall be issued in an original principal amount not to exceed \$30,000,000.

The 2022 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, in accordance with the form set forth in the Master

Ordinance. None of the 2022 Bonds shall bear interest at a rate exceeding 12% per annum. The principal of the 2022 Bonds shall amortize, together with interest thereon, to achieve debt service that is as close as practicable to level debt service over the life of the 2022 Bonds (given the actual interest rates on the 2022 Bonds). The 2022 Bonds may be issued in the form of Serial Bonds and/or Term Bonds, and shall each mature on July 1 of the year of their maturity, provided that no 2022 Bonds shall exceed a term of 40 years. After the sale of the 2022 Bonds, the final maturity schedule, interest rates, redemption features relating to the 2022 Bonds and any necessary corrections to this Eleventh Supplemental Ordinance shall be set forth in a Certificate of the Agency, which shall be in the form attached hereto as Exhibit A and shall be deemed to be part of the Master Ordinance.

Interest on the 2022 Bonds shall be payable on each Interest Payment Date, commencing January 1, 2023, to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed by first class mail to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of the Bonds with respect to which written instructions have been filed with the Trustee prior to the applicable Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books. In the event there exists a default in payment of interest due on such Interest Payment Date, such interest shall be payable on a payment date established by the Trustee to the persons in whose names the 2022 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the 2022 Bonds not less than 15 days preceding such special record date. Principal of and premium (if any) on any 2022 Bond shall be paid upon presentation and surrender thereof at the designated office of the Trustee in San Francisco, California. Both the principal of and interest and premium (if any) on the 2022 Bonds shall be payable in lawful money of the United States of America.

The 2022 Bonds shall be dated their date of delivery and bear interest based on a 360-day year comprised of twelve 30-day months from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and unless said date of authentication is prior to December 15, 2022, in which event such interest is payable from their date of delivery; provided, however, that if, as of the date of authentication of any 2022 Bond, interest thereon is in default, such 2022 Bond shall bear interest from the date to which interest has previously been paid or made available for payment thereon in full. The form of the 2022 Bonds shall be as set forth in Section 2.03, and the 2022 Bonds shall be subject to Sections 2.04 and 2.06 through 2.11 of the Master Ordinance.

Section 23.07. Redemption of 2022 Bonds.

The 2022 Bonds shall be subject to optional redemption, mandatory sinking fund redemption and special mandatory redemption from insurance or condemnation proceeds as provided in the Certificate of the Agency the form of which is attached hereto as Exhibit A. Notwithstanding anything in the Master Ordinance to the contrary, Sonoma Water shall have the right to cancel the notice of any optional redemption by providing written notice of such cancellation to the Trustee not less than 5 days prior to the date set for redemption.

Section 23.08. Continuing Disclosure.

Sonoma Water hereby covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") as originally executed as of the date of issuance and delivery of the 2022 Bonds, and as it may be amended from time to time in accordance with its terms. Notwithstanding any other provision of this Eleventh Supplemental Ordinance, failure by Sonoma Water to comply with the Continuing Disclosure Agreement shall not constitute a default hereunder; provided, however, that any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or any Owner or beneficial owner of the 2022 Bonds may take such action as may be necessary and appropriate to compel performance by Sonoma Water of its obligations under this Section, including seeking mandamus or specific performance by court order. All capitalized terms used but not defined in this Section shall have the meanings given in the Continuing Disclosure Agreement.

Section 23.09. Municipal Bond Insurance Policy.

If Sonoma Water determines to obtain either a Municipal Bond Insurance Policy with respect to the 2022 Bonds or any portion thereof, any requirements, conditions and agreements relating thereto shall be included in a Certificate of the Agency, the form of which is attached hereto as Exhibit A.

Section 23.10. Tax Covenants.

The covenants set forth in Sections 6.13, 6.15, 6.16, 6.17, 6.18 and 6.19 of the Master Ordinance shall apply to the 2022 Bonds.

Section 23.11. Amendments to the Master Ordinance.

a. Amendment of Section 1.03 of the Master Ordinance. The definition of "Trustee" in Section 1.03 of the Master Ordinance is hereby amended and restated to read as follows:

Trustee

"Trustee" means U.S. Bank Trust Company, National Association, as successor to Union Bank of California, N.A., appointed as provided in Section 7.01, its successors and assigns, any other agency or association which may at any time be substituted in its place as herein provided. The Trustee shall act as the Trustee hereunder,

b. Amendment of Section 11.14 of the Master Ordinance. Section 11.14 of the Master Ordinance is hereby amended and restated to read as follows:

Section 11.14. Notices.

Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid or sent by telegram, addressed as follows:

If to Sonoma Water: Sonoma County Water Agency
404 Aviation Boulevard
Santa Rosa, California 95403
Attention: General Manager

If to the Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attn: Global Corporate Trust

Section 23.12. Effective Date; Operative Date.

This Eleventh Supplemental Ordinance shall be effective immediately upon its adoption, and shall be operative as of the date of issuance of the 2022 Bonds. This Eleventh Supplemental Ordinance shall supplement the Master Ordinance only so long as any of the 2022 Bonds are outstanding. The provisions contained in the Certificate of the Agency the form of which is set forth as Exhibit A hereto shall be deemed incorporated herein with the same force and effect as if fully set forth herein.

Section 23.13. Severability.

If any section, subsection, sentence, clause or phrase of this Eleventh Supplemental Ordinance is for any reason held to be unconstitutional and invalid, such decision shall not affect the validity of the remaining portion thereof. The Board of Directors hereby declares that it would have passed this Eleventh Supplemental Ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

Directors:

Gorin:	Rabbitt:	Coursey:	Hopkins:	Gore:
Ayes:	Noes:	Absent:	Abstain:	

So Ordered.

EXHIBIT A

CERTIFICATE OF THE AGENCY

The undersigned, the duly appointed, qualified and acting General Manager of the Sonoma County Water Agency, a water agency duly organized and existing under the Constitution and laws of the United States of America ("Sonoma Water"), hereby certifies and agrees as follows:

1. The 2022 Bonds shall mature on July 1 of each year as follows:

Maturity <u>(July 1)</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
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*Term Bonds

2. The 2022 Bonds shall be subject to redemption as follows:

Optional Redemption. The 2022 Bonds maturing on or before July 1, 20__, are not subject to optional redemption prior to maturity. The 2022 Bonds maturing on or after July 1, 20__, are subject to redemption prior to their respective maturity dates, at the option of Sonoma Water, as a whole or in part on any Business Day, in any order directed by Sonoma Water, and if Sonoma Water fails to direct the order, pro rata among maturities, and by lot within a maturity, on any Business Day on or after July 1, 20__, from any source of available funds, at a redemption price equal to the principal amount of the 2022 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Sonoma Water shall be required to give the Trustee written notice of its intention to redeem 2022 Bonds under this subsection 45 days prior to the date fixed for redemption, and shall deposit all amounts required for such redemption with the Trustee at least one day prior to the date fixed for such redemption.

Mandatory Sinking Fund Redemption. The 2022 Bonds maturing on July 1, 20__ and July 1, 20__ are subject to mandatory sinking fund redemption prior to maturity in part at a redemption price of 100% of the principal amount thereof (without premium) plus accrued interest to the date fixed for redemption, on July 1 in the years set forth below, and in the amounts set forth below:

20__ Term Bonds

Sinking Fund Redemption Date (July 1)	<u>Sinking Payments</u>
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*Scheduled maturity

20__ Term Bonds

Sinking Fund Redemption Date (July 1)	<u>Sinking Payments</u>
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Special Mandatory Redemption From Insurance or Condemnation Proceeds. The 2022 Bonds are also subject to redemption as a whole or in part on any date, in any order directed by Sonoma Water, and if Sonoma Water fails to direct the order, pro rata among maturities, and by lot within a maturity, to the extent of the Net Proceeds of hazard insurance not used to repair or rebuild the Transmission System or the Net Proceeds of condemnation awards received with respect to the Transmission System to be used for such purpose pursuant to Sections 6.03 or 6.06 of the Master Ordinance, at a redemption price equal to the principal amount of the 2022 Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium.

3. In connection with the Municipal Bond Insurance Policy, Sonoma Water agrees to comply with the following provisions:

[to come]

4. The provisions set forth herein shall be deemed incorporated in full in the ordinance of Sonoma Water entitled "Eleventh Supplemental Ordinance Providing for the Issuance of Not to

Exceed \$30,000,000 Principal Amount of Sonoma County Water Agency Water Revenue Bonds, 2022 Series A,” with the same force and effect as if fully set forth therein.

Dated: _____, 2022

SONOMA COUNTY WATER AGENCY

By: _____
Grant Davis
General Manager