
Date: April 30, 2019

Item Number: _____

Resolution Number: _____

☒ 4/5 Vote Required

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY WATER AGENCY APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING A FINAL OFFICIAL STATEMENT; AUTHORIZING THE SALE OF BONDS, THE FIXING OF INTEREST RATES AND THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AUTHORIZING EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT; AUTHORIZING, IF APPROPRIATE, ACQUISITION OF A BOND INSURANCE POLICY; AND AUTHORIZING CERTAIN DESIGNATED OFFICERS TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE TO CARRY OUT TRANSACTIONS CONTEMPLATED BY THE TENTH SUPPLEMENTAL ORDINANCE.

(4/5 VOTE REQUIRED)

Whereas, the Sonoma County Water Agency ("Sonoma Water") desires to raise funds in order to fund improvements to Sonoma Water's water transmission system; and

Whereas, it is necessary and desirable for Sonoma Water to issue revenue bonds pursuant to Section 30.17 of the Sonoma County Flood Control and Water Conservation District Act (the "Act") in a principal amount not to exceed \$14,500,000 to finance facilities and improvements to increase the reliability and capacity of Sonoma Water's water transmission system, including, but not limited to, the following projects: Caisson 6 Valve Replacement and Vault; Ely Booster Pump Station Flood Protection; Mainline Valve at Vinehill Ranch; Mark West Creek and Russian River Creek Crossing Seismic Hazard Mitigation; Mirabel Chlorine Building Water Line; Mirabel Dam Bladder Replacement; Mirabel Pump 8 Replacement; Mirabel-River Road Fiber Optic Line; Petaluma Aqueduct Relocation for Caltrans Marin Sonoma Narrows Segment C2; River Diversion System Motor Control Center Replacement; Santa Rosa Aqueduct-Santa Rosa Creek Crossing Seismic Hazard Mitigation; Sonoma Booster Station Electrical Upgrade and Pumping Reliability; Warm Springs Dam Hydro-turbine Retrofit; and Wohler Pumps 4 and 11 Replacements (collectively, together with any other improvements that are approved to be financed with proceeds of the 2019 Bonds (as defined below) by the Board of Directors of Sonoma Water, the "2019 Improvements"), together with amounts needed to fund a debt service reserve account for the 2019 Bonds and pay costs of issuing the 2019 Bonds; and

Whereas, to that end, the Board of Directors (the "Board") of Sonoma Water has authorized and directed that a public hearing on its Ordinance 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 (the "Tenth Supplemental Ordinance") authorizing the issuance and sale of Sonoma

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Water's Water Revenue Bonds, 2019 Series A (the "2019 Bonds") be held on April 30, 2019, at 9:00 a.m., or as soon thereafter as practicable, and that notice of the public hearing be published; and

Whereas, notice of a public hearing on the Tenth Supplemental Ordinance was duly published in the *Santa Rosa Press Democrat* on March 31, 2019, and

Whereas, a public hearing on the adoption of the Tenth Supplemental Ordinance was duly held before the Board on April 30, 2019, at 9:00 a.m. or as soon thereafter as practicable; and

Whereas, there have been prepared and submitted to the Board forms of:

(a) a proposed form of Preliminary Official Statement (the "Preliminary Official Statement") to be used in connection with the sale of the 2019 Bonds; and

(b) proposed form of Official Notice of Sale (the "Notice of Sale") in accordance with which bids for the 2019 Bonds will be received if the 2019 Bonds are sold through a competitive sale;

(c) a proposed form of Bond Purchase Agreement (the "Purchase Agreement") pursuant to which the 2019 Bonds will be sold if the 2019 Bonds are sold through a negotiated sale; and

(d) a proposed form of Continuing Disclosure Agreement, (the "Continuing Disclosure Agreement") between Sonoma Water and Digital Assurance Certification, LLC, as Dissemination Agent, in order to allow the underwriter of the 2019 Bonds to comply with Rule 15c2-12 of the United States Securities and Exchange Commission Rule;

Whereas, in accordance with Government Code Section 5852.1, the Board has obtained and disclosed the information set forth in Appendix A hereto;

Now, Therefore, Be It Resolved by the Board of Directors of the Sonoma County Water Agency, as follows:

1. The Preliminary Official Statement, in the form presented to the Board, is hereby approved. The distribution of the Preliminary Official Statement in connection with the sale of the 2019 Bonds, in such form with such changes, insertions and omissions therein as any of the following officers of Sonoma Water may approve, such distribution being conclusive evidence of such approval, is hereby authorized: the Chairman of the Board, the County Administrator, the Assistant County Administrator, the Treasurer of Sonoma Water, the General Manager of Sonoma Water, and the Auditor-Controller of the County (each an "Authorized Officer").

2. The Notice of Sale, in the form presented to the Board, is hereby approved. The Authorized Officers are hereby authorized and directed to distribute the Notice of Sale, with such changes, insertions and omissions as may be approved by the Authorized Officers, to potential bidders for the 2019 Bonds, and to sell the 2019 Bonds by competitive sale in accordance with the terms thereof. If the Authorized Officers determine to sell the 2019 Bonds pursuant to competitive sale, the Authorized Officers are hereby authorized and directed to publish the required notice of intention to sell the 2019 Bonds as required by Section 53692 of the California Government Code.

3. Notwithstanding the preceding paragraph, if the Authorized Officers determine it is more advantageous to Sonoma Water to sell the 2019 Bonds by negotiated sale, rather than by competitive sale, the Authorized Officers shall select one or more investment banking firms to act as underwriters (the

"Underwriters") for the 2019 Bonds, in accordance with the policies and procedures of the County of Sonoma, and to enter into the Purchase Agreement with the Underwriters. The Purchase Agreement, in the form presented to the Board, is hereby approved. Each Authorized Officer is hereby authorized and directed to execute and deliver the Purchase Agreement with such changes as may be approved by such Authorized Officer, such execution and delivery being conclusive evidence of such approval; provided that the Purchase Agreement shall not be executed by an Authorized Officer if the underwriters' discount (exclusive of original issue discount) exceeds 1.00% of the original principal amount of the 2019 Bonds.

4. The Continuing Disclosure Agreement, in the form presented to the Board, is hereby approved. Each Authorized Officer is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement with such changes as may be approved by such Authorized Officer, such execution and delivery being conclusive evidence of such approval.

5. Each Authorized Officer is hereby authorized and directed to execute and deliver, on behalf of Sonoma Water, a final Official Statement relating to the 2019 Bonds to be dated as of the date of the sale of the 2019 Bonds, with such changes, insertions and omissions to the Preliminary Official Statement as may be approved by such Authorized Officer, such execution and delivery being conclusive evidence of approval.

6. At the time of sale of the 2019 Bonds, the Authorized Officer awarding the sale of the 2019 Bonds, if sold through competitive sale, or executing and delivering the Purchase Agreement, if sold through a negotiated sale, is hereby authorized and directed to fix the interest rate or rates on the 2019 Bonds, but in no event shall the true interest cost with respect to the 2019 Bonds exceed 4.15%, and in no event shall the original principal amount of the 2019 Bonds exceed \$14,500,000. Each Authorized Officer is hereby authorized and directed to approve such other pricing terms and information as is required to complete the transactions contemplated by the Tenth Supplemental Ordinance and the Notice of Sale or the Purchase Agreement, as applicable, but in all events subject to the terms of the Tenth Supplemental Ordinance.

7. The Treasurer of Sonoma Water is hereby authorized and directed to obtain municipal bond insurance guaranteeing all or a portion of the payment of principal of and interest on the 2019 Bonds if the Treasurer determines it will result in interest rate savings on the 2019 Bonds.

8. The Board of Directors hereby declares that it reasonably expects to issue the 2019 Bonds and to use a portion of the proceeds thereof to reimburse expenditures made by Sonoma Water for the 2019 Improvements before the date of issuance of the 2019 Bonds, and not more than 60 days before the effective date of this Resolution. The adoption of this Resolution is intended to comply with the United States Income Tax Regulations and evidence the intention of this Board of Directors to reimburse itself from the proceeds of the 2019 Bonds, if and when issued.

9. Each Authorized Officer is hereby authorized and directed to execute and deliver any and all other documents and instruments necessary for the issuance and sale of the 2019 Bonds in accordance with the Tenth Supplemental Ordinance and this resolution, and to do or cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Tenth Supplemental Ordinance and this resolution, including execution and delivery of any related documents.

10. This resolution shall take effect immediately, provided that the 2019 Bonds shall be issued

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only upon the effectiveness of the Tenth Supplemental Ordinance.

Directors:

Gorin:

Zane:

Gore:

Hopkins:

Rabbitt:

Ayes:

Noes:

Absent:

Abstain:

So Ordered.