

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY**

**RESOLUTION NO. 2020-\_\_\_**

**RESOLUTION PROVIDING FOR THE ISSUANCE OF REVENUE BONDS TO FINANCE A PORTION OF THE COST OF IMPROVEMENTS TO THE JONES PUMPING PLANT, AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the San Luis & Delta-Mendota Water Authority (the “Authority”) operates and maintains certain Delta Division and San Luis Unit facilities of the Central Valley Project pursuant to a Transfer Agreement with the United States acting through the Department of Interior Bureau of Reclamation (“Reclamation”); and

**WHEREAS**, the Board of Directors of the Authority (the “Board”) previously adopted Resolution No. 2020-454, a Resolution Providing for the Prioritization of Use for OM&R Revenues (the “Master OM&R Resolution”); and

**WHEREAS**, the Authority receives certain “OM&R Revenues” as defined in the Master OM&R Resolution from Water Delivery Contractors, Parties Entitled to Utilize or Receive Other Water, and Reclamation pursuant to the terms of the Transfer Agreement and from Friant Water Authority pursuant to the Friant MOU (as all such terms are defined in the Master OM&R Resolution); and

**WHEREAS**, the Master OM&R Resolution provides for the issuance by the Authority from time to time of Operating and Maintenance Obligations, as defined in and in accordance with the Master OM&R Resolution; and

**WHEREAS**, the Board now desires to issue revenue bonds (the “Bonds”) to fund a portion of the cost of certain extraordinary maintenance at the Jones Pumping Plant which Bonds will constitute Operation and Maintenance Obligations in accordance with the Master OM&R Resolution.

**NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:**

SECTION 1. Findings. The Board hereby specifically finds and declares that the actions authorized hereby constitute and relate to public affairs of the Authority and that the statements, findings and determinations set forth above and in the preambles of the documents approved herein are true and correct.

SECTION 2. Indenture of Trust. The proposed form of Indenture of Trust in substantially the form attached hereto as Exhibit A, is hereby approved. The Chair and the Vice Chair of the Board and the Executive Director of the Authority or the written designee thereof (each an “Authorized Officer”) are each hereby individually authorized and directed to execute and deliver the Indenture of Trust with such changes, insertions and omissions as may be recommended by the Authority General Counsel or Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel (“Bond Counsel”), and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval.

SECTION 3. Continuing Disclosure Certificate. The proposed form of Continuing Disclosure Certificate in substantially the form attached hereto as Exhibit B, is hereby approved. Any Authorized Officer is individually authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by Authority General Counsel or Bond Counsel, and approved by the Authorized Officer executing the same, said execution being conclusive evidence of such approval.

SECTION 4. Purchase Contract. The proposed form of Purchase Contract with Citigroup Global Markets Inc., as underwriter in substantially the form attached hereto as Exhibit C, is hereby approved. Any Authorized Officer is individually authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be recommended by Authority General Counsel or Bond Counsel, and approved by any Authorized Officer executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the aggregate principal amount of the Bonds exceed \$\_\_\_\_\_, nor shall the underwriting discount for the Bonds exceed \_\_%, nor shall the true interest cost of the Bonds exceed \_\_% per annum.

SECTION 5. Bonds. The Board hereby authorizes the sale and issuance of one or more series of Bonds in an aggregate principal amount not to exceed \$\_\_\_\_\_. The Bonds are being issued to finance public capital improvements and utility projects within the meaning of Government Code Section 6584, et seq., including without limitation Section 6599.3.

SECTION 6. Trustee. MUFG Union Bank, N.A., is hereby appointed to act as trustee under the Indenture of Trust.

SECTION 7. Good Faith Estimate of Costs. The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

SECTION 8. Bond Counsel. Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby reaffirmed as Bond Counsel to the Authority in accordance with the terms of the engagement letter on file with the Secretary.

SECTION 9. Bond Insurance and Reserve Surety. If any Authorized Officer determines that it will be advantageous to the Authority to purchase municipal bond insurance or other credit enhancement with respect to some or all of the Bonds or to purchase one or more reserve fund surety policies or other credit instruments for the benefit of any reserve fund established for the Bonds or to obtain a particular rating or ratings on all or a portion of the Bonds or to provide for the establishment and funding of a reserve fund for all or a portion of the Bonds, any Authorized Officer is hereby authorized to purchase such insurance or other credit enhancement and such reserve fund surety policies or other credit instruments at market rates and to take such other actions as may be necessary to obtain such rating or ratings or to provide for the establishment and funding of a reserve fund for all or a portion of the Bonds. Without limiting the generality of the foregoing, any Authorized Officer is hereby authorized to negotiate any and all terms of a commitment for such municipal bond insurance policy or other credit enhancement and such reserve fund surety policies or other credit instruments and to negotiate covenants of the Authority or approve such other changes to the proposed forms of the Indenture of Trust and the Purchase Contract as may be necessary or appropriate to obtain such municipal bond insurance policy or other credit enhancement and such reserve fund surety policies or other credit instruments or to obtain a particular rating or ratings on all

or a portion of the Bonds or to provide for the establishment and funding of a reserve fund for all or a portion of the Bonds, in each case after consultation with the Authority's Bond Counsel.

SECTION 10. Updated Disclosure Procedures. The updated federal securities law Disclosure Procedures attached hereto as Exhibit D are hereby approved.

SECTION 11. Other Actions. Each Authorized Officer and the Treasurer of the Authority or the written designee thereof and any other proper officers of the Authority, acting singly, are each authorized and directed to do any and all things and to execute and deliver any and all documents and certificates which such officers may deem necessary or advisable in order to consummate the sale, execution and delivery of the Bonds, the delivery of the Indenture of Trust, the Continuing Disclosure Certificates, the Purchase Contract and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

SECTION 12. Effect. This Resolution shall take effect immediately.

SECTION 13. Recitals. Each of the foregoing recitals is true and correct.

PASSED, APPROVED AND ADOPTED this 17th day of September, 2020, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

AYES:

NOES:

ABSENT:

APPROVED:

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Cannon Michael, Chairman  
SAN LUIS & DELTA-MENDOTA WATER  
AUTHORITY

Attest:

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Federico Barajas, Secretary

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I hereby certify that the foregoing Resolution No. 2020-\_\_ was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 17th day of September, 2020.

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Federico Barajas, Secretary