

RESOLUTION NO. 02-08-2022B

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$ 925,000 TO REFINANCE CERTAIN IMPROVEMENTS TO THE WATER AND SEWER SYSTEM, APPROVING A TERM SHEET AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE AGREEMENT AND RELATED DOCUMENTS ON BEHALF OF THE DISTRICT

WHEREAS, the Malaga County Water District (the “District”) owns and operates facilities and property for the treatment of waste water and distribution of potable water within the service area of the District (the “Water and Sewer System”); and

WHEREAS, in 2010, the District refinanced three outstanding loans used for the construction or repair/replacement of water and sewer facilities and borrowed additional funds to construct a water well and make improvements to the District’s waste water treatment facility (the “2010 Project”). The Board has determined to refinance the 2010 Project, which will lower the interest rate but not extend the financing resulting in interest savings for the District. The District has requested that First Foundation Public Finance (“First Foundation”) provide funds for the refunding of the 2010 Project, and to sell the project to the District on an installment basis pursuant to an Installment Purchase Agreement (the “Installment Purchase Agreement”) by and between the District and First Foundation; and

WHEREAS, the District has previously approved, by Resolution No. 07-24-2018, a Debt Issuance and Management Policy which complies with Government Code Section 8855, and the Installment Purchase Agreement will be in compliance with said policy; and

WHEREAS, Section 5852.1 of the California Government Code requires that the Board of Directors (the “Board”) of the District obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the execution and delivery of the Installment Purchase Agreement, good faith estimates of (a) the true interest cost of the Installment Purchase Agreement, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Agreement, (c) the amount of proceeds of the Installment Purchase Agreement expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement, and (d) the sum total of all debt service payments on the Installment Purchase Agreement calculated to the final maturity of the Installment Purchase Agreement, plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Agreement; and

WHEREAS, in compliance with Section 5852.1 of the California Government Code, the Board has obtained from Brandis Tallman, a division of Oppenheimer & Co. Inc. the District’s

placement agent, the required good faith estimates and such estimates have been included in the staff report prepared for this Resolution, and such information has been disclosed and made public.

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

1. That the foregoing recitals are true and correct and incorporated herein by this reference as though fully set forth at this point.
2. The Board of Directors hereby approves the execution of the Installment Purchase Agreement providing for the payment of installment payments in the aggregate principal amount of not to exceed \$_925,000(the “Installment Payments”) for the purpose of providing refunding of the 2010 Project. The Board hereby approves the Installment Purchase Agreement in substantially the form as attached hereto and incorporated herein by this reference as Attachment A.
3. The General Manager is hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver the Installment Purchase Agreement in substantially the form as Attachment A, with such non-material changes therein as the General Manager deems necessary.
4. The General Manager is authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which the General Manager might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the District is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.
5. The Board of Directors hereby approves term sheet of First Foundation (the “Term Sheet”) in substantially the form as attached hereto and incorporated herein by this reference as Attachment B.

Passed and adopted by the Board of Directors of the Malaga County Water District at their meeting held on this 8th day of February 2022, by the following vote:

AYES:

NOES:

ABSENT:

Charles Garabedian, Jr., President
Malaga County Water District

ATTEST:

Moises Ortiz, General Manager
Secretary of the Board of Directors
Malaga County Water District