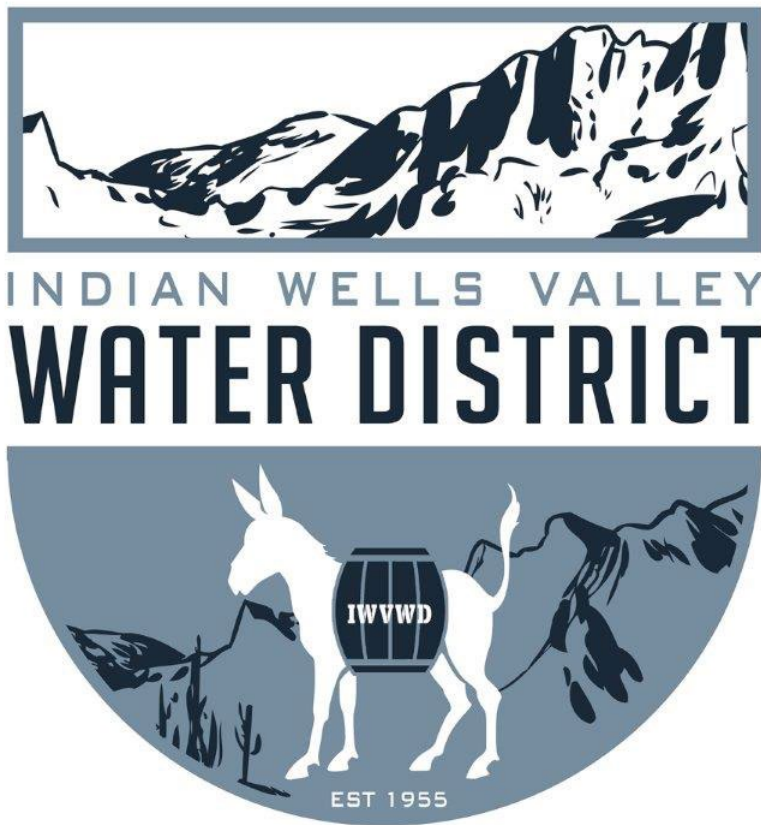


INDIAN WELLS VALLEY WATER DISTRICT

Board of Directors Meeting



January 18, 2024



INDIAN WELLS VALLEY WATER DISTRICT



BOARD OF DIRECTORS

Ronald R. Kicinski, President
David C. H. Saint-Amand, Vice President
Mallory J. Boyd
Charles D. Griffin
Stanley G. Rajtora

George D. Croll
General Manager
Krieger & Stewart, Incorporated
Engineers
McMurtrey, Hartsock, Worth & St. Lawrence
Attorneys-at-Law

2024 COMMITTEE ASSIGNMENTS

ADMINISTRATION/EXECUTIVE COMMITTEE (KICINSKI/SAINT-AMAND)

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director’s Manual, etc.

FINANCE COMMITTEE (KICINSKI/SAINT-AMAND)

Rates, Cost-of-Service, Budget, Audits, Cost Allocation, Investments, Financial Services, Insurance, Loans/Grants, Water Sales & Service Policy Manual, Accounting, Assessment Districts, Billing, etc.

PLANT & EQUIPMENT COMMITTEE (BOYD/RAJTORA)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, Telemetry, etc.

WATER MANAGEMENT (BOYD/GRIFFIN)

Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Water Quality, Conservation, Urban Water Management Plan, California Urban Water Conservation Council, Title 22 Compliance, Alternative sources for water supply including Blending, Importation, Reuse, etc.

Committee Meetings are generally scheduled on a regular day and time.
Committee Meetings are subject to change.

Administration/Executive
Finance
Plant & Equipment
Water Management

Wednesday before the Board Meeting at 2:00 p.m.
Tuesday before the Board Meeting at 2:30 p.m.
Tuesday before the Board Meeting at 2:00 p.m.
Wednesday before the Board Meeting at 3:00 p.m..

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

SPECIAL BOARD MEETING

AGENDA

THURSDAY, JANUARY 18, 2024 - 3:00 P.M.

BOARD OF DIRECTORS' HEARING ROOM
500 W. RIDGECREST BLVD., RIDGECREST

➤ **Watch meetings on-line:**

All District meetings are streamed live on the District's YouTube channel at:

<https://www.youtube.com/channel/UCz6pnsZsIFy9yTFVmGH2Trg>

Recordings will be available for viewing after the meeting on the District's YouTube page.

➤ **Call in for public comments:**

To make a public comment, please call: (760) 375-7548.

Callers will be placed in a queue and answered in the order they were received. If a member of the public wishes to comment on multiple items, they will need to call in as each item is presented to the Board.

(In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Lauren Smith at (760) 384-5502. Requests must be made as early as possible and at least one full business day before the start of the meeting. Pursuant to Government Code section 54957.5, any materials relating to an open session item on this agenda, distributed to the Board of Directors after the distribution of the agenda packet, will be made available for public inspection at the time of distribution at the following location: Indian Wells Valley Water District, 500 W. Ridgcrest Blvd., Ridgcrest, CA).

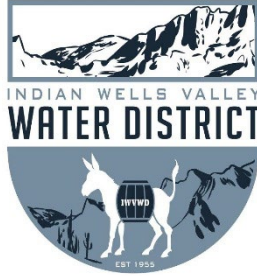
1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Posting of Agenda Declaration
5. Conflict of Interest Declaration
6. Public Questions and Comments

(This portion of the meeting is reserved for persons desiring to address the Board on any matter not on the agenda and over which the Board has jurisdiction. However, no action may be taken by the Board of Directors on any item not appearing on the agenda. Non-agenda speakers are asked to limit their presentation to five minutes. Public questions and comments on items listed on the agenda will be accepted at any time the item is brought forth for consideration by the Board. When you are recognized by the chairperson, please state your name and address for the record).

7. Current Business
 1. 2024 Water Revenue Bonds

Description: Board consideration to adopt and approve Resolution No. 24-01 Pertaining to the Authorization, Sale and Delivery of 2024 Water Revenue Bonds Related to the Financing of the Water Transmission Pipeline Replacement Project, and Authorizing and Directing the Execution and Delivery of Required Legal Agreements

8. Adjournment



7.1.

Staff Report

Meeting Date: January 18, 2024

TO: Board of Directors

FROM: Staff

SUBJECT: Adoption of Resolution Pertaining to the Authorization, Sale and Delivery of 2024 Water Revenue Bonds Related to the Financing of the Water Transmission Pipeline Replacement Project, and Authorizing and Directing the Execution and Delivery of Required Legal Agreements

RECOMMENDATION

Adopt Resolution No. 24:01 Approving a Non-Charter Membership Agreement and Authorizing the Forms of and Directing the Execution and Delivery of Installment Sale Agreement, Continuing Disclosure Certificate, Bond Purchase Contract and Preliminary Official Statement in connection with the Issuance of Series 2024 Water Revenue Bonds by the California Municipal Public Financing Authority; Approving the Form of the Preliminary Official Statement and the Distribution thereof; and the taking of all Necessary Actions in Connection therewith; and Providing for other Matters Properly Related thereto.

EXECUTIVE SUMMARY

The Series 2024 Water Revenue Bonds are anticipated to generate about \$7,500,000 that will be used to finance the (i) replacement of approximately 19,400 feet of 30” diameter cement mortar lined and coated steel pipe with approximately 19,400 feet of 24” diameter fused PVC pipe, and (ii) replacement of existing appurtenances consisting of 8 in-line control valves, 13 air valves and 13 blow-offs (collectively, the “Project”). District staff, working in conjunction with bond counsel and its municipal advisor, has prepared a resolution (Attachment 1) of the City and the Authority

District staff has been working with members of the financing team to develop a financing plan that provides the lowest cost of funds at best possible terms and conditions, while at the same time ensuring timely delivery of the funds needed to construct the Project. The Financing Team includes: Bond Counsel – Cameron Weist (Weist Law); Municipal Advisor – Andrew Flynn (CalMuni Advisors) and Underwriter – Rene Moreno (FHN Financial Capital Markets).

In using the recommended financing structure, an installment sale arrangement must be established with a third-party nonprofit entity experienced in tax-exempt debt transactions in California. The California Municipal Public Financing Authority (the “Authority”) is being recommended as such independent nonprofit entity for this financing transaction.

FINANCING STRUCTURE

The cost of the Project is proposed to be financed by the issuance of Series 2024 Water Revenue Bonds (the “Bonds”) that are scheduled to mature over a fully amortizing payback period of

not to exceed twenty-five years. The Bonds will be sold to the Underwriter pursuant to a Bond Purchase Contract (form copy of which accompanies this Staff Report). It is anticipated that the pricing (the “Pricing”) and sale of the Bonds will be completed towards the end of February. The final interest rate and aggregate principal amount of the Bonds will be determined during the Pricing and will become final upon execution of the Bond Purchase Contract. Based upon current market conditions, it is anticipated that the Bonds will bear interest at an average rate of approximately 3.5% to 4%.

A Preliminary Official Statement outlining the scope of the Project, terms and conditions of the sale of the Bonds and pertinent information relating to the District, its organizational structure, demographics, and relevant financial information has been prepared and is available for public inspection in connection with the sale of the Bonds. A copy of the Preliminary Official Statement accompanies this report for informational purposes. A copy is also on file with the Secretary.

SUMMARY OF RESOLUTION AND DOCUMENTS

Subject Resolution. The subject resolution authorizes the installment sale financing arrangement between the District and the Authority and approves the issuance of the Bonds by the Authority. This Resolution also authorizes the forms of, and directs execution of, the various legal and financial documents described below.

Installment Sale Agreement: This agreement provides for the purchase of the Project from the Authority in exchange for the District’s promise to make future semi-annual Installment Payments (made from net revenues of the Water Fund) to the Authority, which are assigned to the Trustee for the payment of the Bonds. In addition to making the Installment Payments, the District covenants to acquire and construct the Project in accordance with proper plans and specifications, and then to maintain the Project throughout the term of the Installment Sale Agreement, pay taxes, if any, and to maintain various forms of insurance.

This document, among other things, provides the following:

- That the District must include Installment Payments due each Fiscal Year in each corresponding annual budget and to make the necessary annual appropriations for all such annual Installment Payments.
- That rates must be set and maintained such that annual Net Revenues equal or exceed at least 120% of (i) the Installment Payments coming due and payable during such Fiscal Year, and (ii) all payments required with respect to any outstanding Parity Obligations during such Fiscal Year.
- That the District must, at its sole cost and expense, keep and maintain the Project in good condition and repair.
- That the District must procure and maintain throughout the term of the financing, the insurance set forth in Sections 5.3 and 5.4 of the Installment Sale Agreement.

Indenture of Trust: This is an agreement which sets forth the covenants and specifics of the Bonds, including the pledge of Installment Payments, flow of funds, prepayment provisions, establishment and management of funds and accounts, the District, Authority and Trustee duties, repayment

mechanisms and the Bond owners' rights and remedies. The bulk of the Bond proceeds are deposited into a Project Fund maintained by the Trustee, which are disbursed by the Trustee to pay for costs of the Project in accordance with requisitions from the District.

Preliminary Official Statement: As a necessary prerequisite to the public marketing and selling of the Bonds, a preliminary official statement (the "Preliminary Official Statement") has been prepared by Weist Law, as Disclosure Counsel to the District, with the help of the Municipal Advisor, Underwriter and District staff. This document describes the District, the Authority, the Project, the installment sale financing arrangement, the Water Enterprise, the Bonds, the Installment Sale Agreement, the Continuing Disclosure Certificate, and the risk factors associated with an investment in the Bonds. The Preliminary Official Statement is the central source of information to potential bond buyers, and as such it is essential that the information be accurate and complete. Once the Bond Purchase Contract (described below) is executed, the final pricing detail will be used to fill in the blanks of the Preliminary Official Statement, which will then be used as the basis for the final Official Statement.

Important Information about Securities Disclosure: The Preliminary Official Statement has been reviewed and approved for transmittal to the Board of Directors by staff and the financing team. The Preliminary Official Statement must include all facts that would be considered material to an investor in the Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Bonds. Members of the Board of Directors are encouraged to review the Preliminary Official Statement and/or question staff and consultants to make sure they feel comfortable that it includes all material facts.

Bond Purchase Contract: This is an agreement among the District, Authority and the Underwriter, which provides the terms and conditions for the sale of the Bonds by the Authority to the Underwriter, and once signed, locks in the final terms and interest rates.

Continuing Disclosure Certificate: This is a certificate of the District to make certain secondary market disclosure – including the provision of information regarding the fiscal health of the District – on an annual basis to comply with securities regulations.

Please note that the Financing Documents are being presented to the Board as form documents, as they cannot be fully completed at this time because certain critical components such as public offering details, interest rates and annual debt service payments will depend on the state of the bond market at the time that the transaction is actually priced (i.e., sold to the Underwriter). This method of approval is the normal method of approving a bond issue in California.

ESTABLISHMENT OF A RATE STABILIZATION FUND

The Installment Sale Agreement, among other things, calls for the creation of a separate fund to be known as the "Rate Stabilization Fund" that can be used to prevent covenant defaults during years when projected revenues are expected to fall short of meeting rate coverage requirements. The subject resolution authorizes and directs the establishment of a Rate Stabilization Fund for the District by designating its Emergency Reserve Fund as the "Emergency Reserve Fund – Rate Stabilization Fund" to be managed in accordance with the applicable terms and provisions of the Installment Sale Agreement, with the express understanding that the Rate Stabilization Fund is not pledged to secure

payment of the Installment Payments or the Bonds, and therefore always remains readily accessible for any District-authorized expenditure.

ALTERNATIVES

1. Approve the recommendation as presented, adopt the subject resolution.
2. Do not approve but provide direction to staff.

FINANCIAL IMPACT

Section ___ of the resolution includes information required to be disclosed in a meeting open to the public pursuant to SB 450. Such information includes the estimated true interest cost, finance charges, amount of proceeds received by the Authority and the District, and the total payment amount for the 2021 Bonds.

ATTACHMENTS

Resolution No. 24-01
Non-Charter Membership Agreement
Draft Installment Sale Agreement
Draft Indenture of Trust
Draft Preliminary Official Statement
Draft Bond Purchase Contract
Draft Continuing Disclosure Certificate (attached as Appendix C to the POS)

RESOLUTION NO. 24-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDIAN WELLS VALLEY WATER DISTRICT APPROVING A NON-CHARTER MEMBERSHIP AGREEMENT AND AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF INSTALLMENT SALE AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE, BOND PURCHASE CONTRACT AND PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF SERIES 2024 WATER REVENUE BONDS BY THE CALIFORNIA MUNICIPAL PUBLIC FINANCING AUTHORITY; AND THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO

WHEREAS, it is the intent of the Indian Wells Valley Water District (the “District”) to become a Non-Charter Member of the California Municipal Public Financing Authority (the “Authority”) in order to facilitate the financing of its acquisition and construction of a water improvement project, all as more particularly described in Exhibit A to the hereinafter approved Installment Sale Agreement (the “Project”); and

WHEREAS, the Authority is a joint powers authority created pursuant to a Joint Exercise of Powers Agreement dated June 24, 2020 (the “JPA Agreement”), and is duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code (the “Government Code”) of the State of California (the “JPA Law”), and is authorized pursuant to Article 4 of the JPA Law to, among other purposes, borrow money for the purpose of financing the capital improvement needs of the District; and

WHEREAS, pursuant to the Authority’s bylaws and Section 12 of the JPA Agreement, the District and Authority desire to enter into a Non-Charter Membership Agreement in the form of which has been presented to this Board and is on file with the Secretary; and

WHEREAS, for the purpose of providing assistance to the District in financing the Project, the District hereby requests the Authority to issue its “California Municipal Public Financing Authority (Indian Wells Valley Water District), Series 2024 Water Revenue Bonds (Water Transmission Pipeline Replacement Project),” in the aggregate principal amount of not to exceed \$8,000,000 (the “Bonds”) pursuant to the JPA Law and an Indenture of Trust (the “Indenture”), dated as of February 1, 2024, by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), the proceeds of which will be used to (a) finance the acquisition and construction of the Project, and (b) pay costs of issuance; and

WHEREAS, to further facilitate the issuance of the Bonds, the District and the Authority desire to enter into an Installment Sale Agreement between the District and the Authority (the “Installment Sale Agreement”), pursuant to which the District will purchase certain the Project from the Authority, and pay certain Installment Payments (as defined in the Installment Sale Agreement) to the Authority which are assigned to the Trustee pursuant to the Indenture for the repayment of the Bonds; and

WHEREAS, the District and the Authority desire to provide for the negotiated sale of the Bonds to FHN Financial Capital Markets, to act as underwriter (“Underwriter”) pursuant to a Bond Purchase Contract, the preliminary form of which is on file with the Secretary (the “Bond Purchase Contract”); and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”) requires that, in order to be able to purchase or sell the Bonds, the underwriter thereof must have reasonably determined that the District has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and certain events on an ongoing basis; and

WHEREAS, in order to cause such requirement of the Rule to be satisfied, the District desires to execute and deliver a Continuing Disclosure Certificate, the preliminary form of which is on file with the Secretary (the “Continuing Disclosure Certificate”); and

WHEREAS, a form of Preliminary Official Statement describing, among other things, the Bonds, the District, the Authority and the Project, among other things, has been prepared, which will be distributed by the Underwriter to persons and institutions interested in purchasing the Bonds, the form of which is on file with the Secretary (the “Preliminary Official Statement”); and

WHEREAS, the Installment Sale Agreement, among other things, calls for the creation of a separate fund to be known as the “Rate Stabilization Fund” that can be used to prevent covenant defaults during years when projected revenues are expected to fall short of meeting rate coverage requirements; and

WHEREAS, the Rate Stabilization Fund is not pledged to secure payment of the Installment Payments or the Bonds, and therefore always remains readily accessible for any District-authorized expenditure; and

WHEREAS, the Board now desires to establish such Rate Stabilization Fund by designating its Emergency Reserve Fund as the “Emergency Reserve Fund – Rate Stabilization Fund”; and

WHEREAS, upon execution of the Non-Charter Membership Agreement, the District will be a member of the Authority, and the Project is located within the boundaries of the District; and

WHEREAS, pursuant to Government Code Section 5852.1, certain good faith information relating to the Bonds is set forth herein and made public; and

WHEREAS, the Board of Directors desires to designate the Installment Sale Agreement and Bonds as a “Qualified Tax-Exempt Obligation” for purposes of Paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986 (the “Code”); and

WHEREAS, the Board of Directors, with the aid of its staff, has reviewed the Installment Sale Agreement, the Preliminary Official Statement, the Continuing Disclosure Certificate and the Bond Purchase Contract (collectively, these documents are hereafter referred to as the “District Documents”), the forms of which have been presented to the Board of Directors, and are also on file with the Secretary, and the Board of Directors wishes at this time to approve the foregoing in the public interests of the District and Authority; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the authorization, execution and delivery of the Bonds and District Documents authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Indian Wells Valley Water District hereby orders and determines as follows:

Section 1. Approval of Recitals. The Board of Directors hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above and in the preambles of the documents approved herein are true and correct.

Section 2. Findings and Determinations. The Board hereby specifically finds and declares that: (a) the financing of the Project will result in significant public benefits to the citizens of the District of the type that is described in Section 6586 of the JPA Law, in that having the Authority assist the District with respect to the financing of the Project through the issuance of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the District and significant reductions in effective user charges levied by the District; and (b) the Project includes facilities for the production, storage and transmission of water within the meaning of Section 6586.5(c) of the JPA Law. The Board of Directors hereby further finds and determines that the useful life of the Project is not shorter than the final maturity of the Bonds.

Section 3. Authorized Representatives. The Board hereby specifically finds and declares that the President, Vice President, General Manager, Chief Financial Officer, Secretary and any other person authorized by the Board to act on behalf of the District shall each be an “Authorized Representative” of the District for the purpose of finalizing and executing the District Documents as well as structuring and providing for the issuance of the Bonds, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the sale of the Bonds (including the investment of proceeds of the Bonds), and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the District has approved in this Resolution.

Section 4. Approval of Bonds. The District hereby approves the issuance of the Bonds by the Authority.

Section 5. Approval of Installment Sale Agreement. The Board of Directors hereby authorizes and approves the purchase of the Project by the District pursuant to the Installment Sale Agreement. The Board of Directors hereby approves the Installment Sale Agreement in substantially the form on file with the Secretary, together with any additions thereto or changes therein as shall be approved by an Authorized Representative of the District. Any Authorized Representative of the District is hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest and affix the seal of the District to, the final form of the Installment Sale Agreement for and in the name and on behalf of the District and the execution thereof shall be conclusive evidence of the Board of Directors approval of any such additions and changes. The Board of Directors hereby authorizes the delivery and performance of the Installment Sale Agreement.

Section 6. Approval of Bond Purchase Contract. The Bond Purchase Contract, on file with the Secretary, is hereby approved and the Authorized Representatives are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the acceptance thereof set forth in the Bond Purchase Contract, with such changes, insertions and omissions as the Authorized Representative executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Bond Purchase Contract by such Authorized Representative. The Board of Directors hereby authorizes the delivery and performance of the Bond Purchase Contract.

Section 7. Approval of the Preliminary Official Statement and the Official Statement. Staff has caused the Preliminary Official Statement to be distributed to the members of the Board of Directors

and to be placed on file with the Secretary. The Board of Directors hereby approves the Preliminary Official Statement describing the Bonds, in substantially the form on file with the Secretary, together with any changes deemed necessary or advisable by an Authorized Representative to cause the preliminary Official Statement to describe accurately matters pertaining to the Bonds.

The Board of Directors hereby authorizes and directs any Authorized Representative on behalf of the District to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Rule prior to its distribution to prospective purchasers of the Bonds. The Board of Directors hereby approves and authorizes the distribution of the Preliminary Official Statement to prospective purchasers of the Bonds.

The Authorized Representatives are authorized and directed to cause the preliminary Official Statement to be brought into the form of a final Official Statement and to execute said final Official Statement, dated as of the date of the sale of the Bonds, and to certify that the facts contained in the final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Bonds, true and correct in all material respects and that the final Official Statement did not, on the date of sale of the Bonds, and does not, as of the date of delivery of the Bonds, contain any untrue statement of a material fact with respect to the District or omit to state material facts with respect to the District required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Authorized Representatives shall take such further actions prior to the signing of the final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall be in substantially the form of the Preliminary Official Statement and which shall include such changes and additions thereto deemed advisable by the Authorized Representative and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the District.

The final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Bonds.

Section 8. Continuing Disclosure Certificate. The Board of Directors hereby approves the Continuing Disclosure Certificate in substantially the form on file with the Secretary, with such revisions, amendments and completions as shall be approved by any one of the Authorized Representatives. The Board of Directors hereby authorizes and directs an Authorized Representative to execute the Continuing Disclosure Certificate for and in the name of the District. Execution of the Continuing Disclosure Certificate shall be deemed conclusive evidence of the District’s approval of such additions or changes. The Board of Directors hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.

Section 9. Qualified Tax-Exempt Obligation. The Board of Directors hereby designates the Installment Sale Agreement and the Bonds for purposes of Paragraph (3) of Section 265(b) of the Code as a “Qualified Tax-Exempt Obligation” and covenants that the Installment Sale Agreement and the Bonds do not constitute a private activity bond as defined in Section 141 of the Code and that the aggregate face amount of all tax-exempt obligations issued by the District during the calendar year 2024 is not reasonably expected to exceed \$10,000,000.

Section 10. Good Faith Estimates. Set forth below are good faith estimates of the Underwriter, as required under Section 5852.1 of the Government Code. The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by this resolution:

(a) The true interest cost of the Bonds is estimated at 4.29%, calculated as provided in Section 5852.1(a)(1)(A) of the Government Code.

(b) The finance charge of the Bonds, including all fees and charges paid to third parties, is estimated at \$225,000.

(c) The estimated net proceeds to be received for the sale of the Bonds (net of finance charges, reserves and capitalized interest, if any) is \$7,525,000.

(d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Government Code is estimated at \$12,432,850.00.

The foregoing estimates constitute good faith estimates only. The principal amount of the Bonds, the true interest cost of the Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, (f) federal tax law advice from Bond Counsel, or (g) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the District based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of the sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of the sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.

Section 11. Rating, Municipal Bond Insurance and Surety Bond. The Authorized Representatives, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a rating from Standard & Poor's, as well as a municipal bond insurance policy for the Bonds and/or a reserve account surety bond for the Bonds from a municipal bond insurance company if it is determined, upon consultation with the Underwriter and Municipal Advisor, that such municipal bond insurance policy and/or surety bond will create cost savings.

Section 12. Establishment of a Rate Stabilization Fund. The Board of Directors hereby authorizes and directs the establishment of a Rate Stabilization Fund for the District by designating its Emergency Reserve Fund as the "Emergency Reserve Fund – Rate Stabilization Fund" to be managed in accordance with the applicable terms and provisions of the Installment Sale Agreement, with the express understanding that the Rate Stabilization Fund is not pledged to secure payment of the Installment Payments or the Bonds, and therefore always remains readily accessible for any District-authorized expenditure.

Section 13. Official Actions. All actions heretofore taken by the officers and agents of the District with respect to the issuance of the Bonds are hereby approved, confirmed and ratified. The Authorized Representatives and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, including requisitions for the payment of costs of issuance of the Bonds, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate any of the transactions contemplated by the documents approved pursuant to this Resolution. Whenever in this Resolution any officer of the District is authorized 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 and confirmed in a closing certificate by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 14. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

All the foregoing being on the motion of Director ____ and seconded by Director ____, and authorized by the following vote, namely:

AYES:

NOES:

ABSTAIN:

ABSENT:

I HEREBY CERTIFY that the foregoing resolution is the resolution of Indian Wells Valley Water District as duly passed and adopted by said Board of Directors at a legally convened meeting held on the 18th day of January, 2024.

WITNESS my hand and the official seal of said Board of Directors this 18th day of January, 2024.

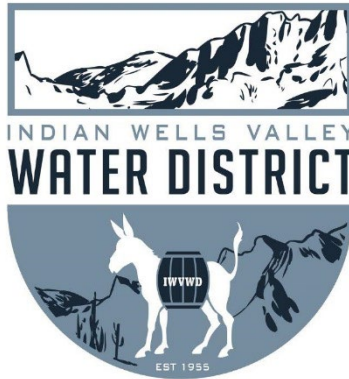
ADOPTED AND APPROVED this 18th day of January, 2024.

Ronald R. Kicinski
President, Board of Directors
INDIAN WELLS VALLEY WATER DISTRICT

ATTEST:

George Croll
Secretary, Board of Directors
INDIAN WELLS VALLEY WATER DISTRICT

(SEAL)



The Mission of the

Indian Wells Valley Water District

is to deliver the highest quality water at the best possible price while continuing to serve as respectful stewards of the environment.

The Vision of the

Indian Wells Valley Water District

is to provide for self-sustaining water resources now and for generations to come.

Board of Directors