

# DRAFT

## STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2019-

APPROVAL, AUTHORIZATION AND DIRECTION OF THE EXECUTION OF CERTAIN DOCUMENTS AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS FOR THE BENEFIT OF AND WITH RESPECT TO THE ADMINISTRATION AND FUNDING OF THE DRINKING WATER STATE REVOLVING FUND (DWSRF) IN CONNECTION WITH THE ISSUANCE BY THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK) OF UP TO \$100 MILLION AGGREGATE PRINCIPAL AMOUNT OF ITS BONDS

### WHEREAS:

1. The United States of America, pursuant to the Safe Drinking Water Act of 1974 (42 U.S.C. § 300 et seq., together with the rules and regulations promulgated thereunder) (Safe Drinking Water Act), requires each state to establish a revolving fund to be administered by an instrumentality of the state as a condition to receipt of capitalization grants under the Safe Drinking Water Act;
2. The State of California (State) has, pursuant to Chapter 4.5 (commencing at Section 116760) of Division 104 of the California Health and Safety Code, as amended, established a Drinking Water State Revolving Fund (DWSRF) to be used for purposes of the state law and the Safe Drinking Water Act;
3. The State Water Resources Control Board (State Water Board) is the State's principal state agency with primary responsibility for the coordination and control of water quality and safe drinking water, and has the responsibility to administer the DWSRF and to provide financial assistance to municipalities for the construction of eligible projects, all as set forth under state law;
4. Various local governmental agencies have submitted and are expected to submit to the State Water Board applications for financial assistance for projects eligible for the DWSRF;
5. The funds necessary to provide this financial assistance are to be derived in part by the issuance by IBank of its "State Revolving Fund Revenue Bonds, Series 2019 (Green Bonds)" (Bonds), on behalf of the State Water Board, and the sale of the Bonds to Piper Jaffray & Co., Morgan Stanley & Co. LLC, Backstrom McCarley Berry & Co. and George K. Baum & Company or such other investment banking firm selected by the IBank and approved by the State Water Board, as representative of the underwriters (Underwriters), pursuant to a bond purchase agreement (Bond Purchase Agreement) to be entered into by and among the Underwriters, the Treasurer of the State (Treasurer), as agent for sale, and IBank, and approved by the State Water Board;
6. The Bonds are to be issued pursuant to the Amended and Restated Master Trust Indenture, dated as of [Dated Date] (Master Trust Indenture), as supplemented by the 2019 Series Indenture, dated as of [Dated Date] (Series 2019 Indenture, and, together with the Master Trust Indenture, the Indenture), each by and between IBank and the Treasurer, as trustee thereunder;

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7. The Bonds and any bonds heretofore and hereafter issued under the Indenture are to be further secured pursuant to the Amended and Restated Master Payment and Pledge Agreement, dated as of [Dated Date] (Master Payment and Pledge Agreement), between IBank and the State Water Board;
8. Disclosure of certain financial information and operating data and certain enumerated events are to be provided to holders of the Bonds on an ongoing basis pursuant to the Continuing Disclosure Agreement, dated as of [Dated Date] (Continuing Disclosure Agreement), between the State Water Board and the Treasurer, as dissemination agent;
9. It is in the public interest and for the public benefit that the State Water Board enter into certain agreements and perform certain acts described herein; and
10. The United States Environmental Protection Agency (U.S. EPA) requires that the *Operating Agreement between the California State Water Resources Control Board and the U.S. EPA Region IX for Activities and Functions in Managing the State Water Pollution Control Revolving Fund Program* and the *Operating Agreement for Implementing and Managing the Drinking Water State Revolving Fund between the State of California and U.S. EPA Region IX* (Operating Agreements) be revised to reflect the structure of the issuance of the Bonds.

## THEREFORE BE IT RESOLVED THAT:

1. The following documents are hereby approved and each of the Executive Director and designee(s) of the State Water Board (Authorized Signatories) are hereby authorized and directed on behalf of the State Water Board and in its name to execute and deliver to appropriate entities the following documents in substantially the form of the draft documents presented to this meeting, and the Clerk of the State Water Board is hereby authorized to attest to the signature of the officer signing such documents:
  - (a) the proposed form of the Master Payment and Pledge Agreement;
  - (b) the proposed form of the Continuing Disclosure Agreement;
  - (c) the proposed form of the Preliminary Official Statement relating to the Bonds (Preliminary Official Statement); and
  - (d) the proposed form of the Bond Purchase Agreement, including the exhibits thereto.
2. The proposed form of the Master Trust Indenture and the Series 2019 Indenture is hereby approved, and the obligations of the State Water Board thereunder are hereby acknowledged and approved.
3. Each Authorized Signatory is hereby authorized and directed to execute such other agreements, documents, and certificates as may be necessary to achieve the purposes of this resolution and the statutory programs herein mentioned. Such agreements, documents, and certificates may include, but are not limited to, the Tax Certificate and the Operating Agreements. Each Authorized Signatory is hereby authorized to take any and all actions necessary or advisable to assist in achieving the issuance and sale of the Bonds and carry out the purposes of this Resolution.

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4. The distribution by the Underwriters of the Preliminary Official Statement to prospective investors in the Bonds is hereby approved and authorized and any authorized officer of the State Water Board is authorized to execute and deliver a statement that the Preliminary Official Statement is a “deemed final” official statement (except for permitted omissions), by the State Water Board as of its date for purposes of Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, as amended. Each Authorized Signatory is hereby authorized to execute the Preliminary Official Statement as the final official statement for the Bonds, with such additions thereto or changes therein as may be approved upon consultation with the State Water Board's counsel (the “Final Official Statement”), and the execution of the Final Official Statement by the Authorized Signatory shall be conclusive evidence of the approval of any such additions and changes. The State Water Board hereby authorizes the distribution of the Final Official Statement by the Underwriters. The use and distribution by the Underwriters of the Preliminary Official Statement and Final Official Statement in connection with the offering and sale of the Bonds is hereby approved and authorized.
5. All actions heretofore taken by the officers and agents of the State Water Board with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed, and ratified.
6. This Resolution shall take effect immediately upon its adoption.

## CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on March 19, 2019.

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Jeanine Townsend  
Clerk to the Board