

**INDIAN WELLS VALLEY GROUNDWATER AUTHORITY**

**RESOLUTION NO. \_\_\_\_**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS TO FINANCE THE ACQUISITION OF WATER RIGHTS, APPROVING THE FORM AND AUTHORIZING EXECUTION AND DELIVERY OF AN INDENTURE AND A BOND PURCHASE AGREEMENT, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING RELATED ACTIONS**

RESOLVED, by the Board of Directors (the "Board") of the Indian Wells Valley Groundwater Authority (the "Authority"), as follows:

WHEREAS, the Authority is a joint powers entity duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated July 15, 2016, by the City of Ridgecrest, the County of Inyo, the County of Kern, the County of San Bernardino and the Indian Wells Valley Water District (the "District") (collectively, the "Members") to provide for the sustainable management of groundwater in the Indian Wells Valley Groundwater Basin, and under the provisions of Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"), and is authorized pursuant to Article 4 of the Act to issue bonds and other obligations in furtherance of its goals;

WHEREAS, the Authority plans to finance the acquisition of water rights for the water needs of the District and other Members (the "Project").

WHEREAS, for the purpose of financing the Project, the Authority has determined to issue its Indian Wells Valley Groundwater Authority Revenue Bonds, Series 2024 (Water Rights Acquisition Financing Project) (the "Bonds");

WHEREAS, the Bonds will be issued under the provisions of Article 4 (commencing with section 6584) of the Act and an indenture of trust (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee;

WHEREAS, the principal of and interest on the Bonds will be payable from revenues derived primarily from amounts received by the Authority from the District and from all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture;

WHEREAS, payments made initially by the District are derived from a basin replenishment fee which is an amount, payable monthly, equal to \$2,130 per acre foot, or portion thereof, of groundwater extracted by the District from the Authority's Indian Wells Valley Groundwater Basin in excess of 4,390 acre feet of extracted water, as proscribed by Ordinance No. 03-20 adopted by the Authority on August 21, 2020. The 4,390 amount may be subject to adjustment to account for changes in pumping, consolidation of water providers and/or other factors deemed necessary and appropriate for adjustment by the Authority;

WHEREAS, the form of a preliminary official statement (the "Preliminary Official Statement") describing the Authority, the Bonds and other matters, to be used in connection with the marketing of the Bonds, has been prepared and presented to the Authority;

WHEREAS, the firm of Oppenheimer & Co., Inc. (the "Underwriter") has proposed to purchase and underwrite the Bonds and has presented to the Authority a form of bond purchase agreement for the Bonds, to be entered into by and between the Authority and the Underwriter (the "Bond Purchase Agreement");

WHEREAS, as required pursuant to section 6586.5(a) of the California Government Code, a public hearing has been held by the Board of Directors of the Authority in connection with the financing of the Project;

WHEREAS, pursuant to section 5852.1 of the California Government Code, certain information relating to the Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public; and

WHEREAS, the Authority has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Authority;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. Findings. The Board hereby finds that significant public benefits will arise from the financing of the Project with the proceeds of the Bonds, in accordance with section 6586 of the California Government Code, in that the financing will result in providing needed improvements to the Water System.

Section 2. Issuance of Bonds; Approval of Indenture. The Board hereby authorizes the issuance of the Bonds under and pursuant to the Act and the Indenture for the purpose of providing funds to finance the Project. The Board hereby approves the Indenture in the form on file with the Secretary, together with any changes therein or additions thereto approved by the Chair, the Vice Chair or the General Manager (the "Designated Officers"), whose execution thereof shall be conclusive evidence of such approval. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute, the final form of the Indenture for and in the name of the Authority. The Board hereby authorizes the delivery and performance of the Indenture.

Section 4. Sale of Bonds; Approval of Bond Purchase Agreement. The Board hereby approves the negotiated sale of the Bonds to the Underwriter. The Board hereby approves the Bond Purchase Agreement in the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by any Designated Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions, so long as (a) the principal amount of the Bonds does not exceed \$\_\_\_\_\_, (b) the true interest rate of the Bonds is not greater than \_\_\_\_\_%, (c) the final maturity date of the Bonds is not later than May 1, \_\_, and (d) the Underwriter's discount with respect to the Bonds does not exceed 0.\_\_\_\_%, exclusive of any original issue discount which does not represent compensation to the Underwriter. The Designated Officers, each acting alone, are hereby authorized and directed for and in the name and on behalf of the Authority to execute the final form of the Bond Purchase Agreement for and in the name of the Authority. The Board hereby authorizes the delivery and performance of the Bond Purchase Agreement.

Section 5. Official Statement. The Board hereby approves, and hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule"), the preliminary official statement describing the Bonds (the "Preliminary Official Statement") in the form on file with the Secretary. The Designated Officers, each acting alone, are hereby authorized and directed to execute an appropriate certificate stating the Authority's

determination that the Preliminary Official Statement is nearly final within the meaning of the Rule. Distribution of the Preliminary Official Statement in connection with the sale of the Bonds is hereby approved. The Designated Officers, each acting alone, are hereby authorized and directed to approve any non-substantive changes in or additions to a final form of official statement (the "Final Official Statement"), and the execution thereof by any Designated Officer shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the Final Official Statement by the Underwriters. The Final Official Statement shall be executed in the name and on behalf of the Authority by any Designated Officer.

Section 6. Official Actions. The Chair, the Vice Chair, the General Manager, the Secretary and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, and to apply for municipal bond insurance, which they or any of them might deem necessary or appropriate 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 Authority 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 by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 7. Effective Date. This Resolution shall take effect from and after its adoption.

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I, the undersigned Secretary of the Indian Wells Valley Groundwater Authority, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the Authority at a regular meeting thereof on the 8th day of May, 2024, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Secretary

**EXHIBIT A**

**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of estimates that have been provided by the Authority's municipal advisor and the Underwriter which has been represented to have been provided in good faith:

(A) True Interest Cost of the Bonds: \_\_\_\_%

(B) Finance Charges:

Costs of issuance:  
Underwriter's discount:  
Total

(C) Net Proceeds to be Received \$ \_\_\_\_\_  
(net of finance charges)

(D) Total Payment Amount through Maturity: \$ \_\_\_\_\_

The foregoing estimates constitute good faith estimates only.

The principal amount of 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, or (f) alterations in the Authority'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 Authority based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates with respect to the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.