

RESOLUTION NO. UA 2025-__

RESOLUTION OF THE LA HABRA UTILITY AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF LA HABRA UTILITY AUTHORITY (ORANGE COUNTY, CALIFORNIA) WATER REVENUE REFUNDING BONDS, SERIES 2025, TO REFUND THE OUTSTANDING LA HABRA UTILITY AUTHORITY (ORANGE COUNTY, CALIFORNIA) REVENUE BONDS, SERIES 2013A, AUTHORIZING THE FORMS OF AND DIRECTING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL WATER REVENUE BOND INDENTURE, A PRELIMINARY OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE CERTIFICATE, AN ESCROW AGREEMENT AND RELATED FINANCING DOCUMENTS AND AGREEMENTS, AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the La Habra Utility Authority (the "Authority") has been created pursuant to a Joint Exercise of Powers Agreement, dated as of July 1, 2007, by and between the City of La Habra (the "City") and the Redevelopment Agency of the City of La Habra (the "Former RDA"), as amended as of March 5, 2012, to substitute the La Habra Housing Authority in place of the Former RDA); and

WHEREAS, the Authority has issued its \$5,760,000 La Habra Utility Authority (Orange County, California) Water Revenue Bonds, Series 2010A (the "2010A Bonds"), for the purpose of financing the remodeling, expansion, improvement and equipping to the municipal water system owned by the City of La Habra and operated by the Authority (the "Water System"); and

WHEREAS, the Authority has also issued its \$13,915,000 La Habra Utility Authority (Orange County, California) Water Revenue Bonds, Series 2010B (Taxable Build America Bonds) (the "2010B Bonds" and, with the 2010A Bonds, the "2010 Bonds"), for the purpose of financing the remodeling, expansion, improvement and equipping to the Water System; and

WHEREAS, the 2010A Bonds and the 2010B Bonds were issued pursuant to that certain Water Revenue Bond Indenture, dated as of December 1, 2010 (the "Original Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as amended and supplemented by that certain First Supplemental Water Revenue Indenture, dated as of December 1, 2010, by and between the Authority and the Trustee (the "First Supplemental Indenture"); and

WHEREAS, the Authority has also issued its \$20,210,000 La Habra Utility Authority (Orange County, California) Revenue Bonds, Series 2013A (the "2013 Bonds"), on a parity with the 2010 Bonds, for the purpose of financing the remodeling, expansion, improvement and equipping to the Water System; and

WHEREAS, the 2013 Bonds were issued pursuant to the Original Indenture, as amended and supplemented by that certain Second Supplemental Water Revenue Indenture, dated as of October 1, 2013, by and between the Authority and the Trustee (the "Second Supplemental Indenture"); and

WHEREAS, the Authority has also issued its \$2,620,000 La Habra Utility Authority (Orange County, California) Refunding Water Revenue Bonds, Series 2019A (Federally Taxable) (the "2019A Bonds"), on a parity with the 2013 Bonds, for the purpose of refunding the 2010A Bonds; and

WHEREAS, the Authority has also issued its \$11,175,000 La Habra Utility Authority (Orange County, California) Refunding Water Revenue Bonds, Series 2019B (Tax-Exempt) (the "2019B Bonds" and, with the 2019A Bonds, the "2019 Bonds")), on a parity with the 2013 Bonds, for the purpose of refunding the 2010B Bonds; and

WHEREAS, the 2019A Bonds and the 2019B Bonds were issued pursuant to the Original Indenture, as amended and supplemented by that certain Third Supplemental Water Revenue Indenture, dated as of November 1, 2019, by and between the Authority and the Trustee (the "Third Supplemental Indenture"); and

WHEREAS, the 2010A Bonds and the 2010B Bonds are no longer outstanding; and

WHEREAS, due to prevailing interest rates in the municipal bond market and for other reasons, the Authority has determined to refund the 2013 Bonds; and

WHEREAS, Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code authorizes the Authority to issue its refunding bonds for the purpose of refunding obligations of the Authority; and

WHEREAS, to refund the 2013 Bonds, the Authority has determined to issue its La Habra Utility Authority (Orange County, California) Revenue Refunding Bonds, Series 2025 (the "2025 Bonds"), as Additional Bonds under and pursuant to the Original Indenture and that certain Fourth Supplemental Water Revenue Indenture, by and between the Authority and the Trustee (the "Fourth Supplemental Indenture" and, with the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third Supplemental Indenture, the "Indenture"), on a parity as to payment and security with the 2019 Bonds; and

WHEREAS, a form of preliminary official statement (the "Preliminary Official Statement") to be distributed in connection with the public offering of the 2025 Bonds has been prepared; and

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the 2025 Bonds, the original purchaser or underwriter thereof must have reasonably determined that the Authority has undertaken in a written agreement or contract for the benefit of the holders of the 2025 Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis; and

WHEREAS, in order to cause such requirement to be satisfied, the Authority desires to enter into a form of continuing disclosure certificate (the "Continuing Disclosure Certificate") with the Trustee; and

WHEREAS, Oppenheimer & Co. Inc. (the "Underwriter") has presented the Authority with a form of bond purchase agreement, pursuant to which the Underwriter proposes to purchase the 2025 Bonds (such bond purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Bond Purchase Agreement"); and

WHEREAS, in connection with the refunding of the 2013 Bonds, the Authority and the Trustee propose to enter an escrow agreement (the "Escrow Agreement"), substantially in the form of the Escrow Agreement currently on file with the Secretary of the Authority; and

WHEREAS, there has been presented to this meeting forms of the follow documents:

1. Fourth Supplemental Indenture;
2. Preliminary Official Statement;
3. Continuing Disclosure Certificate;
4. Bond Purchase Agreement; and
5. Escrow Agreement

WHEREAS, Section 5852.1 of the California Government Code, which became effective on January 1, 2018, enacted pursuant to Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) requires that the governing board of the Authority (the "Board") obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the 2025 Bonds, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds 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 bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with SB 450, the Board has obtained from Fieldman, Rolapp & Associates, Inc., as the Authority's municipal advisor (the "Municipal Advisor), and the Underwriter, the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto.

NOW, THEREFORE, THE GOVERNING BOARD OF THE LA HABRA UTILITY AUTHORITY DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and the Authority hereby so finds and determines.

Section 2. The issuance and sale of the 2025 Bonds, in an aggregate principal amount not to exceed \$15,000,000, on a federally tax exempt basis, as specified in the Fourth Supplemental Indenture as may be delivered in accordance with this Resolution is hereby approved; *provided, however* that the 2025 Bonds shall have a final maturity date not later than November 1, 2043, and (ii) the total net interest cost to maturity of the 2025 Bonds shall not be in excess of the total net interest cost to maturity of the 2013 Bonds, resulting in not less than 5% net present value savings.

Section 3. The Fourth Supplemental Indenture, in the form presented to this meeting, is hereby approved. Any one of the Chairperson of the Board, the Vice Chairperson of the Board or the Executive Director of the Authority (each an "Authorized Officer) is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver one or more forms of the Fourth Supplemental Indenture in substantially said form, with such changes therein as such other may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Continuing Disclosure Certificate, in the form presented to this meeting, is hereby approved. Any one of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver one or more forms of the Continuing Disclosure Certificate in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Bond Purchase Agreement, in the form presented to this meeting, is hereby approved and any one of the Authorized Officers is hereby authorized, for and in the name and on behalf of the Authority, to execute and deliver one or more forms of the Bond Purchase Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, the underwriter's discount may not exceed 0.328% of the aggregate principal amount of the 2025 Bonds sold thereunder.

Section 6. The Escrow Agreement, in the form presented to this meeting, is hereby approved. Any one of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver one or more forms of the Escrow Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The 2025 Bonds shall be executed by the manual or facsimile signature of the Chairperson of the Board, the Vice Chairperson of the Board or the Executive Director of the Authority and shall be attested by the manual or facsimile signature of the Secretary of the Authority in the form set forth and otherwise in accordance with the Indenture.

Section 8. The Preliminary Official Statement, in the form presented to this meeting, is hereby approved for use in connection with the public offering of each series of the 2025 Bonds with such changes as may be approved by an Authorized Officer. Each of the Authorized Officers are authorized and directed to assist in the preparation of such Preliminary Official Statement and a final official statement (the "Official Statement") in substantially the form of said Preliminary Official Statement with respect to each series of the 2025 Bonds, with such additions and changes as an Authorized Officer shall approve as being in the best interests of the Authority, such approval to be conclusively evidenced by the execution of said Official Statement with such additions or changes. The Authorized Officers are each hereby authorized and directed to furnish, or cause to be furnished, to prospective bidders for the 2025 Bonds in electronic form and/or in reasonable number of copies of the Preliminary Official Statement. The Authorized Officers, and each of them, are authorized and directed to certify on behalf of the Authority that the form of the Preliminary Official Statement delivered by the Authority in advance of the sale of each series of the 2025 Bonds is deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (except for the omission of certain final pricing, rating and related information as permitted by the Rule).

Section 9. The Authorized Officers are each hereby authorized, upon a determination by such officer that the procurement of such policy is in the best interest of the Authority, to procure and maintain a policy or policies of municipal bond insurance for the benefit of the registered owners of one or more maturities of the 2025 Bonds, in such form or forms and on such terms and conditions as such officer shall require or approve, such approval to be conclusively evidenced by the execution and delivery of a commitment letter for and on behalf of the Authority to the issuer of such policy or policies.

Section 10. In accordance with SB 450, good faith estimates of the following have been obtained from the Municipal Advisor and the Underwriter and are set forth on Exhibit A attached hereto: (a) the true interest cost of the 2025 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the 2025 Bonds, (c) the amount of proceeds of the 2025 Bonds 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 2025 Bonds, and (d) the sum total of all debt service payments on the 2025 Bonds, calculated to the final maturity of the 2025 Bonds, plus the fees and charges paid to third parties not paid with the proceeds of the 2025 Bonds.

Section 11. With the passage of this Resolution, the Authority hereby certifies that the 2025 Bonds authorized to be issued pursuant to this Resolution are consistent with the Authority's Debt Management Policy, and instructs Stradling Yocca Carlson & Rauth LLP, as Bond Counsel, on behalf of the Authority, with respect to the 2025 Bonds issued pursuant to this Resolution, (a) to cause notices of the proposed sale and final sale of the 2025 Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to section 8855 of the California Government Code, and (b) to check, on behalf of the Authority, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to section 8855 of the California Government Code.

Section 12. The Authorized Officers and each other officer of the Authority, and each of them, is hereby authorized and directed to execute and deliver any and all documents and Instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

Section 13. The Secretary shall certify to the adoption of this Resolution, which shall be in full force and effect immediately upon its adoption. Notwithstanding the foregoing, such certification and any of the other duties and responsibilities assigned to the Secretary pursuant to this Resolution may be performed by an Assistant Secretary with the same force and effect as if performed by the Secretary hereunder.

PASSED, APPROVED AND ADOPTED this 21st day of April, 2025.

Rose Espinoza
Chair

ATTEST:

Rhonda J. Barone, CMC
Secretary

STATE OF CALIFORNIA }
COUNTY OF ORANGE } SS.
CITY OF LA HABRA }

I, Rhonda J. Barone, CMC, Secretary for the La Habra Utility Authority of the City of La Habra, do hereby certify that the above and foregoing is a true and correct copy of Resolution No. UA 2025-__ introduced and adopted at a regular meeting of the La Habra Utility Authority held on the 21st day of April, 2025, by the following vote:

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS:

Witness my hand and the official seal of the La Habra Utility Authority this 21st day of April, 2025.

Rhonda J. Barone, CMC
Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The following information consists of estimates as of March 28, 2025 (including a par amount of \$13,385,000 and an original issue premium of \$1,412,330), that have been provided by the Authority's municipal advisor and which has been represented to have been provided in good faith:

(A) True Interest Cost of the Bonds: 3.66%

(B) Finance Charges:

Costs of issuance:	\$200,624.00
Underwriter's discount:	<u>43,903.00</u>
Total	\$244,527.00

(C) Net Proceeds to be Received: \$14,552,803.00
(net of finance charges)

(D) Total Payment Amount through Maturity: \$19,786,349

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, 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.