

RESOLUTION NO. 26-16

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK BOARD OF DIRECTORS PROVIDING FINAL APPROVAL OF AN INFRASTRUCTURE STATE REVOLVING FUND PROGRAM FINANCING IN AN AMOUNT NOT TO EXCEED \$7,000,000 FOR THE OLIVENHAIN MUNICIPAL WATER DISTRICT

WHEREAS, the California Infrastructure and Economic Development Bank (“IBank”) was established and is existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 and following) (the “IBank Act”), for the purpose of, among other things, providing financial assistance to eligible projects; and

WHEREAS, the Olivenhain Municipal Water District (the “Borrower”), a special district organized and existing under the laws of the State of California, is seeking financing under the Infrastructure State Revolving Fund Program (the “ISRF Program”) in the amount of \$7,000,000 (the “ISRF Financing”) for financing eligible project costs of the Wastewater System Capital Improvement and Replacement Project, as more fully described in Attachment A hereto (collectively, the “Project”); and

WHEREAS, the Borrower and the Project meet all applicable eligibility requirements for infrastructure projects mandated by the IBank Act and by the “Criteria, Priorities, and Guidelines for the Selection of Projects for Financing under the Infrastructure State Revolving Fund (ISRF) Program,” dated June 28, 2023 (the “Criteria”); and

WHEREAS, pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and those U.S. Treasury Regulations implementing such provisions (collectively, “Federal Tax Law”), any funds incurred or expended by the Borrower for the purpose of financing costs associated with the Project on a long-term basis using proceeds of tax-exempt bonds or other tax exempt obligations may be reimbursed from the proceeds of the ISRF Financing provided that the applicable requirements of Federal Tax Law are met (the “Reimbursable Expenditures”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank (the “Board”), as follows:

Section 1. The above recitals are true and correct.

Section 2. Pursuant to this resolution (this “Resolution”), the Board authorizes and approves providing financing under the ISRF Program in a principal amount not to exceed \$7,000,000 to the Borrower for the costs of the Project, subject to the execution of a financing agreement between IBank and the Borrower and associated financing documentation (collectively, the “Financing Agreement”). Such Financing Agreement shall reflect the Board-approved financing terms and conditions as set forth in Attachment B hereto.

Section 3. All actions heretofore taken by the officers and employees of IBank with respect to the consideration and approval of the ISRF Financing are hereby approved, confirmed and ratified. IBank's Executive Director, Chief Deputy Executive Director, or either of their assignees, each acting alone, is hereby authorized and directed, jointly and severally, to perform their duties, provide funding, take actions and execute and deliver the Financing Agreement and any and all other financing documents and instruments they may deem necessary or desirable in order to (i) effect the financing of the Project, (ii) facilitate the transactions contemplated by the ISRF Financing, and (iii) otherwise effectuate the purposes of this Resolution.

Section 4. This Resolution shall not be construed as an unconditional commitment to finance the Project, but rather IBank's approval pursuant to this Resolution is conditioned upon entry by IBank and the Borrower into the Financing Agreement, in form and substance satisfactory to IBank, within 180 days from the date of its adoption. Such satisfaction is conclusively evidenced by IBank's execution and delivery of the same.

Section 5. For purposes of assisting the Borrower in seeking reimbursement for any Reimbursable Expenditures pursuant to Federal Tax Law, the Board hereby declares its reasonable official intent to use proceeds of tax-exempt bonds to reimburse the Borrower for any such Reimbursable Expenditures. This declaration is made solely for purposes of establishing compliance with applicable requirements of Federal Tax Law. This declaration does not bind IBank to provide the ISRF Financing or to reimburse the Borrower any of its Project expenditures.

Section 6. IBank hereby approves the execution and delivery of all agreements, documents, certificates, and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 7. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED, AND ADOPTED at a meeting of the Board of Directors of the California Infrastructure and Economic Development Bank on October 28, 2026, by the following vote:

AYES: MYERS, SHELDON, PERRAULT, QUANT, STEINORTH

NOES:

ABSENT:

ABSTAIN:

By: **Andrew Nakahata** Digitally signed by Andrew Nakahata
Date: 2026.10.30
09:26:51 -07'00'

Andy Nakahata,
Executive Director and Chief Executive Officer

ATTEST:

By: **Angel Lau** Digitally signed by Angel Lau
Date: 2026.10.30
09:51:25 -07'00'

Angel Lau,
Secretary of the Board of Directors

ATTACHMENT A

Description of the Project

Generally, the Project involves improvements to the District's wastewater system, including rehabilitations, replacements, and modifications at the 4S Wastewater Treatment Plant and within the wastewater collection system, including wastewater pump stations and the Headworks Screening Project. It includes, but is not limited to, design, engineering, architecture, construction, construction contingency, demolition, removal, resurfacing, restoration, landscaping, permitting, construction management, project administration, and general project development activities. More specifically, the Project consists of the following components:

- Headworks Screening System Improvements
- District-Wide PLC Replacements (Wastewater)
- Replace Main Switchboard S (MSB-S) and Automatic Transfer Switch
- Neighborhood #3 Liner Improvements (CS-6.1)
- Del Dios SPS Improvements
- Midpoint SPS Improvements
- Other components necessary or desirable in connection with an infrastructure project of this type and that are consistent with the applicable requirements of the IBank Act and the Criteria.

ATTACHMENT B

Financing Terms

- 1. Applicant/Borrower:** Olivenhain Municipal Water District (Borrower)
- 2. Project Name:** Wastewater System Capital Improvement and Replacement (Project)
- 3. Amount of ISRF Program financing:** Not to exceed \$7,000,000 (Tax-exempt Financing)
- 4. Maturity:** Not to exceed 20 years. The Financing may not be prepaid during the first 10 years.
- 5. Repayment/Security:** The Financing will be secured by a senior lien on net system revenues (Net Revenues) from the District's Wastewater System (System) and all legally available amounts in the System.
- 6. Interest Rate:** All-in 4.37% (which includes annual servicing fee described in item 7 below). The rate will be locked as outlined in item 8 below.
- 7. Fees:** Borrower to pay the origination fee of 1.00% (up to \$70,000) of the Financing amount upon close of Financing, and an annual servicing fee of 0.15% of the outstanding balance.
- 8. Rate Lock:** The interest rate in item 6 will be locked in for a period of 90 calendar days after IBank Board (Board) approval of the ISRF financing (the Rate Lock Period). After the Rate Lock Period, and up until IBank's Financing commitment expires (as described in item 9 below), the interest rate may be reset at the discretion of IBank's Credit Committee.
- 9. Limited Time:** Subject to the Board's approval of the Financing resolution, IBank's Financing commitment expires 180 calendar days from the date of its adoption. If the Borrower and IBank have not executed a financing agreement (Financing Agreement) before the commitment expires, there can be no assurances that IBank will be able to grant the Financing to the Borrower or consider extending the commitment period.
- 10. Not an Unconditional Commitment:** If the IBank Board (Board) approves the resolution authorizing the Financing request, the resolution shall not be construed as an unconditional commitment to finance the Project, but rather is conditioned upon entry by IBank and the Borrower into a Financing Agreement (or Agreements), in form and substance satisfactory to IBank.
- 11. ISRF Program Financing Agreement Covenants and Conditions:** The Financing Agreement shall include, among other things, the following covenants:
 - a.** The System has no debt secured by senior lien on Net Revenues, and the Borrower will be prohibited from issuing future debt senior to the IBank financing.
 - b.** Parity debt will be allowed if Net Revenues amount to at least 1.25 times the Annual Debt Service (ADS), taking into consideration the ADS payable in any Fiscal Year on all existing parity debt and the Financing, and the proposed parity debt, payable from the System.
 - c.** Subordinate debt will be allowed if Net Revenues are at least 1.00 times the sum of the ADS on all outstanding debt payable from the System.
 - d.** The Borrower will be required to maintain rates and charges in an amount sufficient to ensure in each fiscal year that Net Revenues produce a minimum 1.25 times aggregate annual debt service coverage ratio for the Financing and all parity debt, and a minimum 1.00 times annual debt service coverage ratio when including subordinate debt.
 - e.** The Borrower will covenant against reducing rates below levels used for all debt service payable from the System, and to take actions to increase rates or fund a rate stabilization fund if debt service coverage ratios fall below required levels.
 - f.** Upon implementing rates and charges, the Borrower to covenant to ensure that its rate structure

conforms to the requirements of Proposition 218 and those of the statutes implementing it and the cases interpreting it. Further, the Borrower to covenant to notify IBank immediately upon the filing of any legal challenge to its rates or charges.

g. The Borrower to comply with the requirements of the ISRF Program Criteria and all applicable laws, regulations, and permitting requirements associated with public works projects.

h. The Borrower shall meet standard insurance requirements with respect to the enterprise system, general liability insurance, worker's compensation, and builder's risk insurance.

i. The Borrower to provide to IBank annually, within 180 days of the end of each of the Borrower's fiscal years, a copy of its audited financial statements together with an annual certificate demonstrating compliance with the foregoing covenants, as well as any other information IBank may reasonably request from time to time.

j. Such other covenants and conditions that IBank or its counsel may reasonably require.