



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
RESOLUTION 2017-01 (REVISED)**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY COMMUNITY SERVICES DISTRICT APPROVING PROCEEDINGS TO FINANCE IMPROVEMENTS TO THE DISTRICT'S MUNICIPAL WATER AND WASTEWATER ENTERPRISES, APPROVING THE ISSUANCE OF REVENUE BONDS BY THE DISCOVERY BAY PUBLIC FINANCING AUTHORITY FOR SUCH PURPOSES AND APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS

RESOLVED, by the Board of Directors (the "Board") of the Town of Discovery Bay Community Services District (the "District"), as follows:

WHEREAS, the District and the Byron Bethany Irrigation District have heretofore entered into a joint exercise of powers agreement establishing the Discovery Bay Public Financing Authority (the "Authority") for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the District;

WHEREAS, the District has determined to finance the acquisition and construction of certain improvements and facilities (the "Water Project") to the District's municipal water enterprise (the "Water Enterprise"), and (b) the acquisition and construction of certain improvements and facilities (the "Wastewater Project") to the District's municipal wastewater enterprise (the "Wastewater Enterprise");

WHEREAS, for the purpose of raising funds necessary to provide such financial assistance to the District, the Authority proposes to authorize the issuance of its revenue bonds under the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"), designated as the Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Bonds, Series 2017 (Water and Wastewater Projects) (the "Bonds"), all pursuant to and secured by an indenture of trust (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee");

WHEREAS, in order to provide for the repayment of the Bonds, the Authority will sell the Water Project to the District pursuant to an installment sale agreement (the "Water Installment Sale Agreement"), under which the District will agree to make installment payments to the Authority payable from the net revenues of the Water Enterprise, and (b) sell the Wastewater Project to the District pursuant to an installment sale agreement (the "Wastewater Installment Sale Agreement"), under which the District will agree to make installment payments to the Authority payable from the net revenues of the Wastewater Enterprise, which together will be calculated to be sufficient, in time and amount, to enable the Authority to pay the principal of and interest and premium (if any) on the Bonds when due and payable;

WHEREAS, the District's obligations under the Water Installment Sale Agreement will be on parity as to payment and security with the District's obligations with respect to that certain Water Installment Sale Agreement, dated as of August 1, 2012, by and between the Authority and the District, securing a portion of the Authority's Series 2012 Enterprise Revenue Bonds (Wastewater and Wastewater Financing Projects) (the "2012 Authority Bonds"), and the District's obligations under the Wastewater Installment Sale Agreement will be on parity as to payment and security with the District's obligations with respect to that certain Wastewater Installment Sale Agreement, dated as of August 1, 2012, by and between the Authority and the District, securing a portion of the 2012 Authority Bonds;

WHEREAS, the form of an official statement (the "Official Statement") describing the Authority, the District, the Water Enterprise, the Wastewater Enterprise, the Bonds and other matters, to be used in connection with the marketing of the Bonds, has been prepared and presented to the District;

WHEREAS, the firm of Brandis Tallman LLC (the "Underwriter") has proposed to purchase and underwrite the Bonds and has presented to the District a form of bond purchase agreement for the Bonds, to be entered into among the Authority, the District and the Underwriter (the "Bond Purchase Agreement"); and

WHEREAS, the Board approves all of said transactions in furtherance of the public purposes of the District, and wishes at this time to take its action approving the issuance and sale of the Bonds and the financing to be accomplished thereby;

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

Section 1. Approval of Bonds.

The Board hereby approves the issuance of the Bonds by the Authority for the purpose, among others, of providing funds to finance the Water Project and the Wastewater Project, so long as (a) the principal amount of Bonds does not exceed \$11,500,000, (b) the final maturity date of the Bonds is not later than December 1, 2047, and (c) the true interest cost shall not exceed 5.75%.

Section 2. Approval of Installment Sale Agreements.

(a) The Board hereby approves the Water Installment Sale Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as the President, the General Manager or the Finance Manager (the "Designated Officers") shall deem necessary, desirable or appropriate, the execution of which by the District shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the Water Installment Sale Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the Water Installment Sale Agreement.

(b) The Board hereby approves the Wastewater Installment Sale Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate, the execution of which by the District shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are 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 Wastewater Installment Sale Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the Wastewater Installment Sale Agreement.

Section 3. Sale of Bonds.

The Board hereby approves the sale of the Bonds by the Authority by negotiation with the Underwriter pursuant to the Bond Purchase Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by the District shall be conclusive evidence of the approval of such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Bond Purchase Agreement for and in the name and on behalf of the District upon the submission of an offer by the Underwriter to purchase the Bonds, which offer is acceptable to a Designated Officer and consistent with the requirements of this Resolution. The amount of Underwriter's discount for the Bonds shall be not more than 0.40% of the par amount thereof (not taking into account any original issue discount on the sale thereof).

Section 4. Official Statement.

The Board hereby approves the Preliminary Official Statement in the form on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate. The Designated Officers, each acting alone, are hereby authorized and directed to deem final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 except for permitted omissions, the preliminary form of the Official Statement describing the Bonds. Distribution of such preliminary Official Statement is hereby approved. The Designated Officers, each acting alone, are hereby authorized to execute the final form of the Official Statement, including as it may be modified by such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, and the execution of the final Official Statement by the District shall be conclusive evidence of the approval of any such additions and changes. The Board hereby

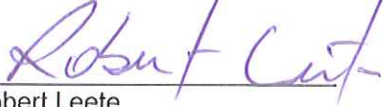
authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the District by a Designated Officer.

Section 5. Official Actions.

The President, the General Manager, the Finance Manager, the Secretary 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, agreements, notices, consents, instruments of conveyance, warrants and other documents, including the application to providers of municipal bond insurance for the Bonds, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

Section 6. Effective Date.

This Resolution shall take effect from and after the date of its passage and adoption.


Robert Leete
Board President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a regularly scheduled meeting, held on January 18, 2017, by the following vote of the Board:

AYES: 3- President Leete, Director Mayer, Director Pease
NOES: 2- Vice President Ericson, Director Steele
ABSENT: 0
ABSTAIN: 0


Michael Davies
Board Secretary