

RUSSELL KAGEHIRO
President
Division V

TIM MAGGIORE
Vice President
Division III

LARRY ENOS, JR
Director
Division I

MARK MAGGIORE
Director
Division II



FELIX MUSCO
Director
Division IV **3**

CHARLES TUSO
Director
Division VI

JEFF BROWN
Director
Division VII

RICK GILMORE
General Manager
Secretary

MINUTE SUMMARY

Rescheduled Regular Meeting
Tuesday December 20, 2016
10:30 a.m.
7995 Bruns Road, Byron, CA

President Kagehiro called the meeting to order at 10:25 a.m.

ADOPTION OF THE AGENDA

M/S/C (T. Maggiore/M. Maggiore) Vote: (Ayes: Enos, Kagehiro, M. Maggiore, T. Maggiore, Tusso; Noes: 0; Absent: Brown, Musco; Abstain: 0): Adopt the Agenda

DISCUSSION/ACTION CALENDAR

President Kagehiro moved Agenda No 5 to precede Agenda items 1 – 4.

5. Consider Resolution authorizing and directing the refinancing of all outstanding Series 2007A Lease Revenue Bonds; and, approving and directing the execution and delivery of certain financing documents in connection therewith, and providing for other matters related thereto. After much discussion with Bond Counsel, Cameron Weist, Municipal financial Advisor Frank Soriano and recommendations by Rick Gilmore the board Adopted Agenda item 5 to refinance existing bond which would be callable within 5-years with a substantial annual savings.

M/S/C (T. Maggiore/Tusso) Vote: (Ayes: Enos, Kagehiro, M. Maggiore, T. Maggiore, Tusso; Noes: 0; Absent: Brown, Musco; Abstain: 0): Adopted Resolution 2016-13

RESOLUTION NO. 2016-13

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BYRON BETHANY IRRIGATION DISTRICT AUTHORIZING AND DIRECTING THE REFINANCING OF ALL OUTSTANDING SERIES 2007A LEASE REVENUE BONDS, AND APPROVING AND DIRECTING THE EXECUTION AND DELIVERY OF CERTAIN FINANCING DOCUMENTS IN CONNECTION THEREWITH, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Byron Bethany Irrigation District (the "District") has heretofore provided for the issuance of its Series 2007A Lease Revenue Bonds, originally issued on October 11, 2007 in the aggregate amount of \$5,750,000, maturing October 1, 2032, and bearing interest at an average rate of approximately 4.7% (the "Prior Obligations"); and

WHEREAS, the District desires to arrange for a low interest rate municipal financing in connection with the proposed refunding (the "Refunding") of the District's remaining outstanding principal balance of Prior Obligations, and thereby save money as a result of reduced debt service payments stemming from such Refunding of the Prior Obligations; and

WHEREAS, the Board of Directors of the District (the "Board"), after due investigation and deliberation, for the purpose of providing financing for the prepayment and refunding of the Prior Obligations, desires at this time to provide for the execution and delivery of its "Byron Bethany Irrigation District, Series 2017 Revenue Refunding Loan Obligation, Bank Qualified" (the "2017 Obligations"), pursuant to terms and conditions of a Loan Agreement (the "Loan Agreement") related to the District's irrigation enterprise (the "Enterprise"), dated as of January 1, 2017, by and between the District and a banking institution to be selected by the General Manager (the "Bank"), a copy of which has been presented at this meeting and is on file with the Secretary of the District (the "Secretary"); and

WHEREAS, pursuant to the Loan Agreement, the District will make loan payments (the "Loan Payments") from the net revenues of its Enterprise operations, sufficient in amount to pay back the debt service on the 2017 Obligations, as more particularly set forth in the Loan Agreement; and

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 of said Code (the "Refunding Bond Law"), to procure execute and deliver the Loan Agreement for the purpose of Refunding the Prior Obligations; and

WHEREAS, in order to properly account for the Refunding, as well as the legal prepayment and defeasance of all outstanding Prior Obligations, it is now appropriate and necessary for the Board to approve the form of Escrow Agreement, dated as of January 1, 2017, in connection with the Refunding of the Prior Obligations (the "Escrow Agreement"), copies of which have been presented at this meeting and are on file with the Secretary; and

WHEREAS, the Board desires to designate the 2017 Obligations for purposes of Paragraph (3) of Section 265(b) of the Internal Revenue Code of 1986 (the "Code") as a "Qualified Tax-Exempt Obligation;" and

WHEREAS, in order to efficiently accomplish the Refunding, the City desires to appoint Hilltop Securities Inc. as Placement Agent for the 2017 Obligations; and

WHEREAS, the Board, with the aid of its staff, has reviewed the Loan Agreement and Escrow Agreement, the forms of which have been presented to this Board and are on file with the Secretary, and the Board wishes at this time to approve the foregoing documents (collectively, the "Financing Documents") as being within the public interests of the District; and

WHEREAS, the Board wishes at this time to authorize all actions and proceedings relating to the procurement and delivery of the 2017 Obligations, the execution and delivery of the Loan Agreement and Escrow Agreement, as well as the Refunding and defeasance of the Prior Obligations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Byron Bethany Irrigation District as follows:

Section 1. Recitals, Findings and Authorization of Bonds. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above are true and correct and that the Refunding is expected to result in significant savings to the District. The execution and delivery of the 2017 Obligations by the District to the Bank is hereby authorized and approved by this Board, and this Board does hereby consent to the application of the proceeds of the 2017 Obligations for the purposes contemplated by the District as provided in this Resolution and in the Financing Documents.

Section 2. Authorized Representatives. The President and General Manager, and any other person authorized by the Board to act on behalf of the District shall each be an "Authorized Representative" of the District for the purposes of structuring and providing for the execution and delivery of the 2017 Obligations, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Refunding and sale of the execution and delivery of the 2017 Obligations, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has approved in this Resolution.

Section 3. Approval of Loan Agreement. The Board hereby approves the Loan Agreement in substantially the form thereof on file with the Secretary together with any additions thereto or changes therein deemed necessary or advisable by the Authorized Representatives, including, without limitation, the insertion of the final principal amount and annual maturity amounts, the final interest rates, prepayment provisions, bond insurance provisions, reserve fund requirements and specifications, pricing and structuring information, along with any other changes that may be required in connection with the Refunding and execution and delivery of the 2017 Obligations. Execution of the Loan Agreement shall be deemed conclusive evidence of the District's approval of such additions or changes. The Authorized Representatives are hereby authorized and directed to execute, attest and affix the seal of the District to the Loan Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the Loan Agreement.

Section 4. Approval of Escrow Agreement. The Board hereby approves the Escrow Agreement in substantially the form on file with the Secretary, together with any additions thereto or changes therein (including, but not limited to, the final amount of the escrow, the final payment schedules, prepayment notices and investment instructions) deemed necessary or advisable by an Authorized Representative of the District. Any Authorized Representative of the District is 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 Escrow Agreement for and in the name and on behalf of the District, and the execution thereof shall be conclusive evidence of the Board's approval of any such additions and changes. The Board hereby authorizes the delivery and performance of the Escrow Agreement, and directs each Authorized Representative to take such action as deemed necessary or appropriate to cause the prepayment and the corresponding Refunding and defeasance of the Prior Obligations.

Section 5. Small Issuer Exemption from Bank Nondeductibility Restriction. The District hereby designates the 2017 Obligations for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the 2017 Obligations, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2017.

Section 6. Official Actions. The Authorized Representatives are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other

documents, which they or any of them might deem necessary or appropriate in order to consummate the execution and delivery of the 2017 Obligations and any of the other transactions contemplated by the agreements and documents approved pursuant to this Resolution. Whenever in this resolution any officer of the District 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 the date of its passage and adoption: 20 December 2016.

CONSENT CALENDAR

The following items are expected to be routine and non-controversial and can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.

1. Approve meeting minute summary for the month of November 2016.
2. Accept Treasurer's Report and Income Statements of November 2016.
3. Review account reconciliations and approve Check Register and Purchase Journal of November 2016.

M/S/C (T. Maggiore/M. Maggiore) Vote: (Ayes: Enos, Kagehiro, M. Maggiore, T. Maggiore, Tusso; Noes: 0; Absent: Brown, Musco; Abstain: 0): Adopt the Consent Calendar

DISCUSSION/ACTION CALENDAR CONTINUED

4. Review and acknowledge receipt of Financial Statements and Independent Auditor's Report for the year ended December, 2015. Robert Johnson, Independent Auditor gave a review of the 2015 Independent Audit of the District's Financial Report, he also updated the board on the ongoing changes to CPA audits, and CalPERS.

M/S/C (T. Maggiore/Tusso) Vote: (Ayes: Enos, Kagehiro, M. Maggiore, T. Maggiore, Tusso; Noes: 0; Absent: Brown, Musco; Abstain: 0): after much discussion, the Board Accepted the 2015 Financial Statement and Independent Auditor Reports.

6. Consider scheduling a Board Retreat/Workshop for February 6, 2017 in Sacramento. Final decision made to meet for a Board Retreat/Workshop on Thursday, February 2, 2017 at 9:00 a.m.

ADJOURNMENT:

The Board meeting was adjourned at 11:38 a.m.

Submitted on December 21, 2016

Approved on February 15, 2017

Ms. Kelley Geyer, Deputy Secretary

Mr. Russell Kagehiro, President

ATTENDANCE:

Directors Present:

Larry Enos	Division I
Russell Kagehiro	Division V
Mark Maggiore	Division II
Tim Maggiore	Division III
Chuck Tusso	Division VI

Directors Absent:

Jeff Brown	Division VII
Felix Musco	Division IV

Staff/Consultants/Present:

Rick Gilmore, General Manager
 Michael Vergara, Somach Simmons Dunn Law
 Kelley Geyer, Director of Administration
 Nick James, CV Strategies
 Cameron Wiest, Bond Counsel, Weist Law Firm
 Frank Soriano, Financial Advisor, Sutter Securities
 Robert Johnson, Robert Johnson Accountancy Firm