

ORDINANCE NO. 2-19-2015

AN ORDINANCE OF THE BOARD OF TRUSTEES OF THE  
LAKE SANTEE REGIONAL WASTE AND WATER DISTRICT  
APPROVING THE REFUNDING OF ITS OUTSTANDING WATERWORKS REVENUE  
BONDS AND SEWAGE WORKS REVENUE BONDS

WHEREAS, the Board of Trustees ("Board of Trustees") of the Lake Santee Regional Waste and Water District ("District") has previously approved and issued its (i) "Sewage Works Revenue Bonds of 1999" ("1999 Bonds"), now outstanding in the amount of \$2,334,000, and maturing annually over a period ending January 1, 2039; (ii) "Waterworks Revenue Bonds of 2005" ("2005 Bonds"), now outstanding in the amount of \$2,248,000, and maturing annually over a period ending January 1, 2045; and (iii) "Waterworks Revenue Bonds of 2005, Series B" ("2005B Bonds"), now outstanding in the amount of \$175,000, and maturing annually over a period ending January 1, 2025; and

WHEREAS, the Board of Trustees has been advised by its financial advisor that market conditions may permit the issuance of refunding revenue bonds by the District in order to obtain a reduction in interest payments and effect a savings to the District; that the refunding of said 1999 Bonds, 2005 Bonds and 2005B Bonds (collectively, "Outstanding Bonds"), together with redemption premium, if any, and accrued interest thereon and including all costs related to the refunding cannot be provided for out of funds of the District now on hand and the refunding should be accomplished by the issuance of refunding revenue bonds of the District's sewage works and waterworks; and

WHEREAS, the Board of Trustees has been advised that the adoption of an ordinance to provide approval of the refunding will permit the financing to move forward and allow for a sale of refunding revenue bonds in a timely manner to take advantage of current market conditions;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE LAKE SANTEE REGIONAL WASTE AND WATER DISTRICT, THAT:

Section 1. The Board of Trustees hereby approves the refunding of the Outstanding Bonds provided it results in the minimum savings as presented in the proposal submitted at this meeting by Piper Jaffray & Co.. The Board of Trustees hereby approves the employment by the District of Ice Miller LLP, as bond counsel, O.W. Krohn & Associates, LLP., as financial advisor, Anne Poindexter, as counsel to the District, and Piper Jaffray & Co., as placement agent. Based upon the advice of the District's financial advisor, a financial institution will be selected to serve as escrow trustee, and if necessary, registrar and paying agent.

Section 2. The President, the Secretary and the Treasurer of the District are hereby authorized to execute all appropriate documents necessary to accomplish the refunding. The President and Treasurer are hereby authorized to execute purchase contracts with the placement agent or the purchaser upon successful negotiation of the terms of the sale of said refunding revenue bonds, provided that such terms fit within the parameters set forth above.

Section 3. The refunding revenue bonds constitute qualified tax-exempt obligations and are hereby designated as qualified tax exempt obligations for purposes of bank deductibility under Section 265(b)(3) of the Internal Revenue Code of 1986. The District does not expect to issue or have issued on its behalf any obligations in 2015 which when added to the amount of the refunding revenue bonds will exceed \$10,000,000.

Section 4. Upon the sale or prior to the sale of the refunding revenue bonds, the Board of Trustees shall be presented final bond ordinances for its consideration and adoption to set forth the terms and provisions of the refunding revenue bonds, provided such terms shall result in the minimum savings established in Section 1 of this ordinance. The Board of Trustees

authorizes the use of the final bond ordinances to be included in any offering materials for the sale of the refunding revenue bonds of the District.

Section 5. This ordinance shall be effective upon passage.

Adopted this 19<sup>th</sup> day of FEBRUARY, 2015.

BOARD OF TRUSTEES OF THE LAKE SANTEE  
REGIONAL WASTE AND WATER DISTRICT

Kathleen A. Tarzwell  
Jim Hobbs  
Cliff D. Johnson  
Scott Bibbo

Attest:

Paul E. Gornell  
Secretary