MINUTES OF THE FINANCING AUTHORITY MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
February 14, 2022

Chair Freshley called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 8:50 a.m. on February 14, 2022.

Director Gaskins led in the Pledge of Allegiance to the flag.

Chair KATHRYN FRESHLEY, Vice Chair KAY HAVENS (via zoom), Director MIKE GASKINS, and Director JOSE VERGARA participated.

Director MARK MONIN was absent.

Also present were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, SCOTT HOPKINS, Operations Superintendent, JASON HAYDEN, CFO, GILBERT J. GRANITO, General Counsel, MARK NORTHCROSS, NHA Advisors, LESLIE BLOOM, NHA Advisors, BRAD NEAL, Stradling Yocca Carlson & Rauth, and POLLY WELSCH, Recording Secretary.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

Chair Freshley asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Information Items

Mr. Cafferty stated that the Indenture of Trust is the only item that was not also on the Special Board meeting agenda.

Indenture of Trust

Mr. Hayden stated that this is primarily an agreement between the Authority and the Trustee (US Bank) associated with the upcoming issuance of Water and Wastewater Revenue Bonds. He further stated that the Trustee maintains all Bond records of sales and payments.

Mr. Northcross added that the Trustee is the representative of the Bond holder so it states that the Authority is going to receive payments from the District, make the payments on time, and follow the covenants and indemnifications.

Vice Chair Havens asked if we will be issuing real paper, and is there an updated clause relative to the digital age regarding security state-of-the-art protections. Chair Freshley replied that all Bonds are recorded, but there are no paper documents issued.

Mr. Northcross stated that Section 2.08 describes how the Bonds will be delivered via the book entry system through the depository trust company, so there is a physical Bond that is delivered to the Trustee, but all other Bonds are delivered electronically through the Clearing House in New York.

Action Items

Mr. Cafferty stated that this Resolution approves the Installment Purchase Agreement, Bond Purchase Contract, Preliminary Official statement, but it also

approves the Indenture of Trust, adopts the Debt Policy of the District as the Debt Policy of the Authority, and approves the District's Conflict of Interest Code as the Conflict of Interest Code of the Authority.

Resolution No. 22-2-1 Approving the Execution and Delivery of Certain Documents Associated with the Water and Wastewater Revenue Bonds Series 2022-A

Chair Freshley asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director Vergara and unanimously carried across the Board to approve Resolution No. 22-2-1 approving the sale of its water and wastewater revenue Bonds, Series 2022A, in an aggregate principal amount not to exceed $50 million, and approving the execution and delivery of certain documents in connection therewith and certain other matters.

Roll Call Vote:

Director Vergara	aye
Director Monin	absent
Director Gaskins	aye
Vice Chair Havens	aye
Chair Freshley	aye

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:00 a.m.

Respectfully submitted,

Polly Welsch

POLLY WELSCH
Recording Secretary

APPROVED:

KATHRYN FRESHLEY, Chair of
the El Toro Water District
Financing Authority and the
Board of Directors thereof

DENNIS P. CAFFERTY, Secretary
of the El Toro Water District
Financing Authority and
the Board of Directors thereof