

RESOLUTION NO. 2015-20

RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT DECLARING INTENTION TO REFUND THE OUTSTANDING BONDS OF THE SEWER SYSTEM ASSESSMENT DISTRICT NO. 1, TO LEVY REASSESSMENTS AS SECURITY FOR THE REFUNDING BONDS AND TO CONTINUE THE LIEN OF THE ORIGINAL ASSESSMENTS ON CERTAIN PARCELS OF PROPERTY IN THE ASSESSMENT DISTRICT

WHEREAS, on August 16, 1995, the Hidden Valley Lake Community Services District (the "District") issued and sold bonds for the Sewer System Assessment District No. 1 designated "Hidden Valley Lake Community Services District Improvement Bonds Sewer System Assessment District No. 1 Series 1995-2," and such bonds remain outstanding in the aggregate principal amount of \$3,410,000 (the "Outstanding Bonds"); and

WHEREAS the Board of Directors (the "Board of Directors") of the District has been advised by the Interim General Manager of the District that, due to favorable municipal bond interest rates, the Outstanding Bonds can be refunded at a significant savings in annual debt service to the property owners within the Assessment District; and

WHEREAS, the Board of Directors has determined, based on such advice, that the public interest requires the refunding of the Outstanding Bonds as permitted by and pursuant to proceedings to be conducted in accordance with the Refunding Act of 1984 for 1915 Improvement Act Bonds, constituting Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of the State of California (the "Refunding Act");

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT, AS FOLLOWS:

Section 1. Refunding; Continuation of Liens of Original Assessments. The Board of Directors determines that the public interest requires the refunding of the Outstanding Bonds and declares its intention to refund the Outstanding Bonds, to issue bonds to refund the Outstanding Bonds (the "Refunding Bonds") and to levy reassessments on the parcels of property in the Assessment District as security for the Refunding Bonds, all pursuant to the Refunding Act. It is further the intention of the Board of Directors to continue the liens of the original assessments levied on parcels of property in the Assessment District, and which secure the payment of the principal of and interest on the Outstanding Bonds, as security for the payment of the unpaid installments of such assessments and the penalties and interest thereon, including the installments of such assessments which have been posted to and are to be collected on the tax assessment roll for the 2015-16 fiscal year and all unpaid and delinquent installments of such assessments which were posted to the tax assessment roll for prior fiscal years.

Section 2. Report. The Interim General Manager is authorized and directed to have NBS, a firm employed by the District to assist the District in the reassessment proceedings which are to be conducted pursuant to the Refunding Act (the "Reassessment Engineer"), prepare and file with the Board of Directors a report containing all of the matters required by Section 9523 of the Streets and Highways Code of the State of California (the "Report"). In preparing the Report, the Reassessment Engineer shall assume that the District will advance the maturity of all

of the Outstanding Bonds to December 1, 2015, and that in refunding the Outstanding Bonds, the District will pay the principal amount thereof and accrued interest thereon to December 1, 2015, without premium. The Reassessment Engineer shall further assume that the maximum interest rate on the Refunding Bonds will be 3.50% per annum. Upon receipt of the Report, the Interim General Manager shall present it to the Board of Directors for consideration.

Section 3. Reserve Fund. The District declares its intention, to the extent necessary to complete the sale of the Refunding Bonds, to provide in the resolution authorizing the issuance of the Refunding Bonds for the establishment from the proceeds of the sale of the Refunding Bonds of a special reserve fund for the Refunding Bonds pursuant to Part 16 (commencing with Section 8880) of Division 10 of the Streets and Highways Code of the State of California. The estimated amount of the special reserve fund, to the extent deemed necessary, shall be included in the total amount of the reassessments and shall be separately identified in the Report to be prepared pursuant to Section 2 hereof.

Section 4. Maximum Interest Rate on Refunding Bonds. The maximum rate of interest on the Refunding Bonds shall not exceed 3.50% per annum.

Section 5. Delinquent Assessment Installments. The Interim General Manager and the Reassessment Engineer shall determine and make a recommendation to the Board of Directors as to whether it is in the best interests of the District and the owners of parcels of property in the Assessment District as to which annual installments of the assessments thereon are unpaid and delinquent to include such delinquent installments, and the penalties and interest thereon, in the reassessments which will be levied on such parcels as security for the payment of the principal of and interest on the Refunding Bonds.

Section 6. No District Obligation. The Board of Directors determines, pursuant to Section 8769 of the Streets and Highways Code of the State of California, that the District will not obligate itself to advance available funds from the District Treasury to cure any deficiency which may occur in the bond redemption fund for the Refunding Bonds.

Section 7. . Bond and Disclosure Counsel. The Board of Directors further authorizes the Interim General Manager to engage Kutak Rock LLP to serve as bond and disclosure counsel to the District in connection with the issuance of the Refunding Bonds, with compensation for such services to be paid from the proceeds of the Refunding Bonds.

PASSED AND ADOPTED ON this 20th day of October, 2015 by the following vote:

AYES

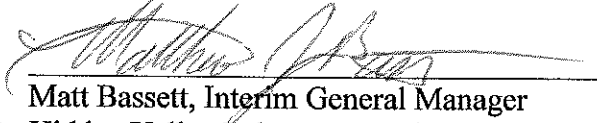
NOES

ABSENT

ABSTAIN

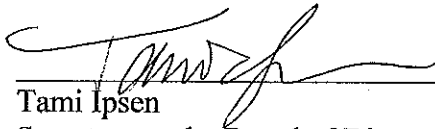


Jim Freeman, President of the Board
Hidden Valley Lake Community Services District



Matt Bassett, Interim General Manager
Hidden Valley Lake Community Services District

Attest:



Tami Ipsen
Secretary to the Board of Director

