

Notice and Agenda

SPECIAL MEETING – COMMISSION OF THE LOS ANGELES COUNTY SANITATION DISTRICTS
FINANCING AUTHORITY

To be held at the JOINT ADMINISTRATION OFFICE
1955 Workman Mill Road, Whittier, California

In response to concerns about the Novel Coronavirus (COVID-19), and in accordance with the provisions of California Government Code Section 54953(e), Directors will attend these meetings via teleconference. To join the meeting, click <https://us02web.zoom.us/j/3397206095> or enter the Meeting ID 339 720 6095 into the Zoom app on your smartphone or computer. Alternatively, you may join by phone by calling (669) 900-9128 and entering the Meeting ID. You may find further information at: <http://www.lacsd.org/agendas>

THE DISTRICT MAY TAKE ACTION ON ANY AGENDA ITEM LISTED BELOW

| WEDNESDAY | February 23, 2022 | At 11:00 A.M. |
|-----------|-------------------|---------------------------|
| | District(s) | Commissioner |
| | SBC, 5 | FUREY |
| | 1 | SALEH |
| | 2 | WARNER |
| | 3 | DUNTON |
| | 4 | MEISTER |
| | 8, 16 | BUSCAINO |
| | 9 | HAHN |
| | 14 | PARRIS |
| | 15 | BARAKAT |
| | 17 | BARGER |
| | 18, 19 | TAJ |
| | 20 | HOFBAUER |
| | 21 | MOSS |
| | 22 | FINLAY (Commission Chair) |
| | 23 | DAVIS |
| | 27, NR | MITCHELL |
| | 28 | DAVITT |
| | 29 | JONES |
| | SCV | WESTE |

At the call of the Chairperson, a special meeting of the Board of Directors of the County Sanitation District Financing Authority of Los Angeles County will be held at the above time and place for the purpose of:

1. Public Comment
2. Approved Minutes of Special Meeting Held January 26, 2022
3. Approve *Resolution of the Commission of the Los Angeles County Sanitation District Financing Authority Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency on March 4, 2020 by California Governor and Authorizing Remote Teleconference Meetings of the Legislative Body*

Summary: Remote teleconferenced meetings, during the continued existence of the Governor’s proclaimed state of COVID-19 emergency, will be conducted under the provisions of AB 361 which added California Government Code Section 54953(e), to the Brown Act. Under the provisions of AB 361 and Government Code Section 54953(e), the Commission must adopt, by majority vote, a resolution making certain findings about the continuing COVID state of emergency and health and safety risks of conducting their meeting in person. By statute, this Resolution and its referenced findings, are only legally valid for 30 days. The Resolution is attached to the agenda.

4. Re: Issuance of Los Angeles County Sanitation Districts Financing Authority Revenue Bonds, 2022 Series A (Green Bonds) (SRF Loans Refunding)
 - (a) Employ Orrick, Herrington & Sutcliffe LLP as Bond Counsel at Cost of Approximately \$125,500; Stradling, Yocca, Carlson & Rauth as Disclosure Counsel at a Cost of Approximately \$55,000; B of A Securities as Underwriter at Cost of Approximately 0.135 Percent of Aggregate Principal Amount of Bonds; and Montague DeRose and Associates as Municipal Advisor at Cost not to exceed \$70,000

4. Contd.

- (b) Approve Use of Standard and Poor's Financial Services LLC, at Cost of Approximately \$42,075, as Bond Rating Agency
- (c) Adopt Resolution *Approving Issuance of Bonds and Authorizing the Following: Execution and Delivery by Authority of a Joint Acquisition Agreement, Indenture, Bond Purchase Agreement, and Continuing Disclosure Agreement in Connection with the Issuance of the Bonds; Issuance of Such Bonds in Aggregate Principal Amount Not to Exceed \$100 million; Distribution of Preliminary Official Statement and an Official Statement in Connection Therewith; and Execution of Necessary Documents and Certificates and Related Actions*

Summary: In order to finance the Clearwater Tunnel Project, the Districts applied for low-cost loans from the State Water Resources Control Board's Clean Water State Revolving Fund (SRF) and the US Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA) program. In order to finalize these two loans, 42 existing SRF loans to the Joint Outfall System Districts must be refunded either by paying off with cash reserves or through the issuance of bonds. Staff recommends using cash reserves to pay off the existing loans with a remaining term of less than two years, low balances, or that have pre-paid interest (35 loans for a total of \$46 million). The remaining seven SRF loans (\$100 million) would be refunded with revenue bonds. These actions allow the Districts to move forward with finalizing the WIFIA and SRF loans for the Tunnel Project, which will save up to \$6 million per year compared to market-rate bond financing. The proposed Resolution includes approval of the necessary documents, direction to staff to distribute the documents, and authority for the Financing Authority to sell new revenue bonds payable from installment payments to be made by each District pursuant to the Joint Acquisition Agreement. Under the proposed action, the Financing Authority would approve the issuance of approximately \$100 million of refunding bonds. The necessary extensive documents to be considered for the sale of the bonds are available at <https://www.lacsd.org/JOSbonds>. A letter discussing this issue accompanies the agenda. Approval of this does not constitute a "Project" as defined in California Public Resources Code Section 21065 as funds will be used to repay existing financial obligations. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to protect financial and facility assets through prudent investment and maintenance programs.

Adjourn**Status Report:**

Prior to or during the meeting session, the Chief Engineer and General Manager may update the Directors on various matters concerning the Districts that may be of current interest to the Directors.

Public Comment:

Members of the public may address the Board of Directors on any item shown on the agenda or matter under the Board's authority. A "Request to Address Board of Directors" form is available. In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Secretary to the Boards' Office (562) 908-4288, extension 1100. Notification of 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to this meeting. (28CFR 35.101 et seq. ADA Title II).

Document Requests:

Links to supporting documents are available online at the time of posting. Agendas and supporting documents or other writings that will be distributed to Board members in connection with matters subject to discussion or consideration at this meeting that are not exempt from disclosure under the Public Records Act are available for inspection following the posting of this agenda at the office of the Secretary to the Boards of Directors located at the Districts' Joint Administration Building, 1955 Workman Mill Road, Whittier, California, 90601, or at the time of the meeting at the address posted on this agenda.

RESOLUTION OF THE COMMISSION OF THE LOS ANGELES COUNTY
SANITATION DISTRICTS FINANCING AUTHORITY PROCLAIMING A LOCAL EMERGENCY,
RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY ON MARCH 4, 2020
BY CALIFORNIA GOVERNOR AND AUTHORIZING REMOTE TELECONFERENCE
MEETINGS OF THE LEGISLATIVE BODY

WHEREAS, the Los Angeles County Sanitation District Financing Authority (“Authority”) is committed to preserving and nurturing public access and participation in meetings of the Authority; and

WHEREAS, all meetings of the Authority are open and public, pursuant to the requirements of the Ralph M. Brown Act (California Government Code Sections 54950-54963) (the “Brown Act”), so that any member of the public may attend, participate, observe and watch the Authority conduct business; and

WHEREAS, the Brown Act, Section 54953(e), allows for conducting and participating in meetings by members of a legislative body, without compliance with the requirements of the Brown Act Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition under the Brown Act Section 54953(e) is the declaration of a state of emergency by the Governor pursuant to California Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within California caused by the conditions outlined and described in California Government Code Section 8558; and

WHEREAS, a proclamation of a state of emergency is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-induced disasters; and

WHEREAS, it is further required that the state or local officials have imposed or recommended measures to promote social distancing, or the Authority have held a meeting where it considered and determined that meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, such conditions now exist in the District as Governor Newsom declared a State of Emergency on March 4, 2020 as a result of the threat of COVID-19; and

WHEREAS, the Centers for Disease Prevention and Control, in its publication “How to Protect Yourself & Others” updated August 13, 2021, have recommended social distancing practices, including staying 6 feet away from others and avoiding crowds and poorly ventilated spaces in order to protect individuals and others from COVID-19; and

WHEREAS, the County of Los Angeles Department of Public Health Order of the Health Officer issued September 17, 2021 (the “County Order”) includes a finding that the existing community transmission of COVID-19 in Los Angeles County remains high and continues to present a high risk of infection and harm to the health of those who are not and cannot be vaccinated against COVID-19 especially when there is an absence of capacity limits and physical distancing requirements for both indoor and outdoor settings. The County Order further finds that COVID-19 infection remains a significant health hazard to all residents; and

WHEREAS, the Authority does hereby find that the ongoing and significant risks associated with COVID-19 infection, especially in the absence of capacity limits and physical distancing requirements for indoor activities, on those who are not and cannot be vaccinated, and that COVID-19 infection remains a significant health hazard to all residents, has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of a state of emergency by the Governor of the State of California, and further, ratify the County Order findings related to the ongoing health hazards of COVID-19; and

WHEREAS, as a consequence of the declared state of emergency and the local emergency, the Commission of the Authority does hereby find that the Authority shall continue to conduct its meetings in accordance with the provisions and requirements of the Brown Act Section 54953(e), and that the legislative bodies of the Districts shall comply with the requirements to provide the public with access to, and an opportunity to comment at all meetings of the Districts legislative bodies in accordance with the requirements of the Brown Act Section 54953(e)(2); and

WHEREAS, the Authority will continue its practice of live streaming its meetings via the Zoom software platform which allows members of the public to observe and participate in the meetings via video or call-in options, and will continue to offer members of the public an opportunity to make oral comments during the meetings and/or submit written comments before the meetings.

NOW, THEREFORE, BY THE COMMISSION OF THE LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true, correct, and are incorporated in this Resolution by reference.

Section 2. Proclamation of Local Emergency. The Commission of the Authority does hereby proclaim that a local emergency now exists throughout the territory of the District and, as described in the County Order, there remains evidence of sustained and high community transmission rates of COVID-19 resulting in high risks of infection and harm to the health of those who are not and cannot be vaccinated against COVID-19, especially when there is an absence of capacity limits and physical distancing requirements for both indoor and outdoor settings, and COVID-19 infection remains a significant health hazard to all residents of the Districts.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Commission hereby ratifies the Governor of the State of California's Proclamation of a State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The President of the Authority, staff and legislative bodies are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, without limitation, conducting open and public meetings in accordance with the Brown Act Section 54953(e) and all other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days after the date of this resolution, or such time that the Authority's Commission adopts a subsequent resolution in accordance with the Brown Act Section 54953(e)(3) to extend the time during which the legislative bodies of the Commission may continue to teleconference without compliance with the requirements of the Brown Act Section 54953(b)(3).

PASSED AND ADOPTED by the Commission of the Authority this 23rd day of February 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson



February 18, 2022

Board of Commissioners
Los Angeles County Sanitation Districts
Financing Authority

Commissioners:

Proposed 2022 Revenue Bond Sale

As previously discussed with the Board of Commissioners at the January 26, 2022 meeting, in order to move forward with finalizing the loans under the State Water Resources Control Board's (State Board's) SRF program and the US Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA) program for the Tunnel project, staff recommends using cash reserves to pay off 35 SRF loans for a total of \$46 million and refunding seven SRF loans with revenue bonds for an amount not to exceed \$100 million. These actions will save up to \$6 million per year compared to market-rate bond financing.

The proposed bonds will be issued and sold by the Los Angeles County Sanitation Districts' Financing Authority, a joint powers authority that was established in 1993 for selling bonds on behalf of the member Districts. The membership consists of all of the active Districts and is governed by a commission consisting of the Chairs of each member District. Each participating District will enter into a separate agreement (the "Joint Acquisition Agreement") with the Financing Authority for the 2022 bonds.

The proposed bonds and the District's ability to repay them must be submitted to a rating agency (Standard & Poor's) for their evaluation. The resulting rating will, in large part, determine the interest rate at which the bonds can be sold. The primary vehicle for submitting this data is the Preliminary Official Statement, a copy of which is included.

To complete the transaction, the Board of Commissioners must first authorize the sale of the bonds. This is done through the resolution that is on the agenda for the February 23, 2022 Commission meeting. The resolution approves all of the necessary documents in substantially final form, directs staff to distribute them, and authorizes the Financing Authority to sell bonds on behalf of the member Districts. A resolution is used because the official documents cannot be finalized until after the pricing is complete. The resolution authorizes the Authority's Chairperson, President (the Chief Engineer and General Manager), the Vice President (the Assistant Chief Engineer and Assistant General Manager), the Treasurer (Chief Accountant) and the Secretary to sign the final documents upon pricing.

The contents of the necessary documents are summarized below, and the complete documents are provided at <https://www.lacsd.org/JOSbonds>.

- Preliminary Official Statement – This document is equivalent to a prospectus that would be issued when buying or selling stock. It contains general information about the Districts, provides specific historic and projected financial data, gives information on the size of the proposed bond transaction and intended uses of the proceeds, and summarizes the requirements of the other bond documents.

- Joint Acquisition Agreement – Through this agreement, the Financing Authority agrees to issue bonds on behalf of the Districts. In return, the Districts covenants to make the debt service payments on behalf of the Financing Authority. As part of its covenants, the Districts agrees to set appropriate service charge rates and to provide continuing disclosure. It also establishes the parameters under which the Districts can undertake additional debt (either bonds or loan).
- Indenture – This agreement is between the Financing Authority and the Trustee (a third party acting on behalf of the bond holders). The Indenture establishes the accounting practices that must be used and creates a flow of funds to ensure that the bondholders are repaid in a timely and orderly fashion.
- Bond Purchase Agreement – This agreement is between the Districts, the Financing Authority and the underwriters. The agreement requires the underwriters to purchase the bonds from the District for resale to the public and requires the Districts, through the Financing Authority, to make the bonds available to the underwriters.

As stated above, this matter will be on the agenda for the February 23, 2022 Commission meeting and will be discussed with the Commissioners.

Very truly yours,



Robert Ferrante

RF:av

Enclosures

RESOLUTION NO. __

RESOLUTION OF THE COMMISSION OF THE LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY BY THE AUTHORITY OF AN INDENTURE, A JOINT ACQUISITION AGREEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE ISSUANCE OF LOS ANGELES COUNTY SANITATION DISTRICTS FINANCING AUTHORITY REVENUE BONDS, 2022 SERIES A (GREEN BONDS) (SRF LOANS REFUNDING), AUTHORIZING THE ISSUANCE OF SUCH BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$100,000,000, AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS

WHEREAS, certain of the County Sanitation Districts of Los Angeles County, commonly referred to as the Joint Outfall Districts (the “Districts”), financed certain capital additions, replacements, betterments, extensions and improvements to their respective sewerage systems with proceeds of loans evidenced by (a) Loan Contract (Contract No. 09-857-550; Project No. 5539-110), by and among the Districts and the State Water Resources Control Board, (b) Loan Contract (Contract No. 13-811-550; Project No. 5892-110), by and among the Districts and the State Water Resources Control Board, (c) Loan Contract (Contract No. 12-832-550; Project No. 7694-110), by and among the Districts and the State Water Resources Control Board, (d) Loan Contract (Contract No. D16-01011; Project No. 8189-110), by and among the Districts and the State Water Resources Control Board, (e) Loan Contract (Contract No. D16-01012; Project No. 8204-110), by and among the Districts and the State Water Resources Control Board, (f) Loan Contract (Contract No. D16-01013; Project No. 8205-110), by and among the Districts and the State Water Resources Control Board and (g) Loan Contract (Contract No. D17-01016; Project No. 8226-110), by and among the Districts and the State Water Resources Control Board (the “State Loans”);

WHEREAS, in order to achieve certain savings, each District desires to prepay its respective share of each of the State Loans;

WHEREAS, the Los Angeles County Sanitation Districts Financing Authority (the “Authority”) desires to assist the Districts in financing the prepayment of the State Loans;

WHEREAS, in order to provide funds to prepay the State Loans, the Authority and the Districts desire that the Authority issue its Los Angeles County Sanitation Districts Financing Authority Revenue Bonds, 2022 Series A (Green Bonds) (SRF Loans Refunding) (the “Bonds”);

WHEREAS, the Bonds will be issued pursuant to an Indenture by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (such Indenture, in the

form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Indenture”);

WHEREAS, the Bonds will be payable from and secured by installment payments (the “Installment Payments”) to be made by each District pursuant to a Joint Acquisition Agreement by and among the Districts and the Authority (such Joint Acquisition Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Joint Acquisition Agreement”);

WHEREAS, all of the Authority’s right, title and interest in and to the Joint Acquisition Agreement (other than such rights of the Authority that are, as provided in the Indenture, retained by the Authority) will, pursuant to the Indenture, be assigned and transferred to the Trustee;

WHEREAS, at or prior to the time the Districts and the Authority enter into the Joint Acquisition Agreement, the Districts and certain other County Sanitation Districts of Los Angeles County (collectively, the “MOA Districts”) and Zions Bancorporation, National Association, as master trustee, will enter into a Master Obligation Agreement (the “Master Obligation Agreement”), which sets forth the terms and conditions for the incurrence by each MOA District from time to time of obligations of such MOA District to finance or refinance the acquisition, construction, equipping and improvement of such MOA District’s sewerage system and other items with respect thereto that such MOA District may lawfully finance or refinance;

WHEREAS, the rights and obligations of each District under and as provided in the Joint Acquisition Agreement and the Installment Payments of such District, and the rights and obligations of the Trustee, as assignee of the Authority, under and as provided in the Joint Acquisition Agreement and the Installment Payments, will, in all respects, be subject to the rights and obligations of, and the restrictions and limitations on, such District and the Trustee, as assignee of the Authority, under and as provided in the Master Obligation Agreement;

WHEREAS, BofA Securities, Inc. (the “Representative”), on behalf of itself and J.P. Morgan Securities LLC, has presented the Authority and the Districts with a form of Bond Purchase Agreement, pursuant to which the Representative proposes to purchase the Bonds (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Bonds, the underwriters thereof must have reasonably determined that the issuer or one or more obligated persons has undertaken in a written agreement or contract for the benefit of the owners and beneficial owners of the Bonds to provide disclosure of certain financial and operating data and certain material events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the Authority desires to enter into a Continuing Disclosure Agreement with U.S. Bank Trust Company, National Association, as trustee and as Dissemination Agent, relating to the Bonds (such Continuing

Disclosure Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Agreement”);

WHEREAS, a form of the Preliminary Official Statement to be distributed in connection with the offering and sale of the Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

WHEREAS, there have been prepared and submitted to this meeting forms of;

- (a) the Indenture;
- (b) the Joint Acquisition Agreement;
- (c) the Purchase Agreement;
- (d) the Continuing Disclosure Agreement; and
- (e) the Preliminary Official Statement;

WHEREAS, the Commission of the Authority (the “Commission”) desires to authorize the issuance of the Bonds and the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Bonds;

WHEREAS, Section 5852.1 of the California Government Code (the “Government Code”) requires that the Commission obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Bonds, good faith estimates of (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds, plus the fees and charges paid to third parties not paid with the proceeds of the Bonds; and

WHEREAS, in compliance with Government Code Section 5852.1, the Commission has obtained from Montague DeRose and Associates, LLC, as the Districts’ municipal advisor (the “Municipal Advisor”), the required good faith estimates and such estimates are disclosed and set forth in Exhibit A attached hereto;

NOW, THEREFORE, BE IT RESOLVED by the Commission of the Los Angeles County Sanitation Districts Financing Authority, as follows:

Section 1. All of the recitals herein contained are true and correct and the Commission so finds and determines.

Section 2. Subject to the provisions of Section 3 hereof, the issuance of the Bonds, in an aggregate principal amount of not to exceed \$100,000,000, on the terms and conditions set forth

in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

Section 3. The Indenture, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and each of the Chairperson of the Commission, or such other member of the Commission as the Chairperson may designate, the President of the Authority, the Vice President of the Authority, the Treasurer of the Authority and the Secretary of the Authority (each, an “Authorized Officer”) is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$100,000,000, the final maturity date of the Bonds shall not be later than October 1, 2032 and the true interest cost for the Bonds shall not be in excess of 2.00% per annum.

Section 4. The Joint Acquisition Agreement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Authority, to execute and deliver the Joint Acquisition Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such changes, insertions and omissions shall not result in the aggregate principal amount of Bonds payable from the Installment Payments payable by the Districts under the Joint Acquisition Agreement being in excess of \$100,000,000, shall not result in the final scheduled payment date of the Installment Payments payable by the Districts under the Joint Acquisition Agreement being later than October 1, 2032 and shall not result in a true interest cost attributable to the Installment Payments payable by the Districts under the Joint Acquisition Agreement being in excess of 2.00% per annum.

Section 5. The Purchase Agreement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Authority, to execute and deliver the Purchase Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the underwriters’ discount for the sale of the Bonds (exclusive of any original issue discount) shall not exceed 0.25% of the initial aggregate principal amount of the Bonds.

Section 6. The Continuing Disclosure Agreement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, is hereby approved, and each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Authority, to execute and deliver the

Continuing Disclosure Agreement in substantially said form, with such changes, insertions and omissions therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, is hereby approved, and the distribution of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

Section 8. The preparation and delivery of a final Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name and on behalf of the Authority, to execute the final Official Statement and any amendment or supplement thereto, for and in the name of the Authority.

Section 9. The Commission hereby authorizes the execution and delivery of all agreements, documents, certificates and instruments authorized by this Resolution to be executed and delivered (a) with electronic signatures using DocuSign, as the same may be permitted under the California Uniform Electronic Transactions Act, and (b) with digital signatures using DocuSign, as the same may be permitted under Section 16.5 of the California Government Code.

Section 10. The Authorized Officers and their authorized deputies and agents of the Authority are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the Authority to do any and all things and to execute and deliver any and all agreements, documents, certificates and instruments that they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 11. All actions heretofore taken by the Authorized Officers and their authorized deputies and agents of the Authority with respect to the issuance and sale of the Bonds or in connection with or related to any of the agreements, documents, certificates or instruments referred to herein, are hereby approved, confirmed and ratified.

Section 12. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Commission of the Los Angeles County Sanitation Districts Financing Authority on February 23, 2022.

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson

ATTEST:

Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Montague DeRose and Associates, LLC, the Districts' municipal advisor (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Districts' financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$83,035,000 (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 1.20%.

Finance Charge of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$619,614.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$100,425,693.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$107,633,658, which excludes any reserves or capitalized interest paid or funded with proceeds of the Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold

being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Districts' financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.