

**RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 8 OF LOS ANGELES COUNTY AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF A CONSTRUCTION INSTALLMENT SALE AGREEMENT SETTING FORTH THE TERMS AND CONDITIONS OF FINANCIAL ASSISTANCE FROM THE CLEAN WATER STATE REVOLVING FUND PROVIDED BY THE STATE OF CALIFORNIA, ACTING BY AND THROUGH THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD, TO FINANCE A PORTION OF THE COSTS OF THE JOINT WATER POLLUTION CONTROL PLANT EFFLUENT OUTFALL TUNNEL PROJECT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS, DOCUMENTS, CERTIFICATES AND INSTRUMENTS AND RELATED ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, in order to provide the funds necessary to pay a portion of the costs of the acquisition, construction, equipping and improvement of the Joint Water Pollution Control Plant Effluent Outfall Tunnel Project (the “Clearwater Tunnel Project”), County Sanitation District No. 8 of Los Angeles County (the “District”) and the other County Sanitation Districts of Los Angeles County commonly referred to as the Joint Outfall Districts (collectively, the “JOS Districts”) have sought financial assistance from the Clean Water State Revolving Fund provided by the State of California, acting by and through the California State Water Resources Control Board (the “State Water Board”) pursuant to Section 13475 *et seq.* of the California Water Code;

**WHEREAS**, the JOS Districts and the State Water Board propose to enter into a construction installment sale agreement setting forth the rights and obligations of each thereof with respect to such financial assistance from the Clean Water State Revolving Fund for a portion of the Clearwater Tunnel Project (such construction installment sale 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 “Installment Sale Agreement”);

**WHEREAS**, the JOS Districts and Zions Bancorporation, National Association, as master trustee, have entered into the Master Obligation Agreement, dated as of April 1, 2022 (the “Master Obligation Agreement”), which establishes the terms and conditions for the incurrence by a JOS District from time to time of obligations of such JOS District (except as otherwise specified herein, capitalized undefined terms used herein have the meanings ascribed thereto in the Master Obligation Agreement);

**WHEREAS**, the Master Obligation Agreement provides that a JOS District may incur such obligations to finance or refinance the acquisition, construction, equipping and improvement of Projects, and the Clearwater Tunnel Project constitutes such a Project;

**WHEREAS**, pursuant to the Master Obligation Agreement and the Installment Sale Agreement (a) the Installment Sale Agreement will be designated as a Senior Contract of the District, (b) the installment payments payable under the Installment Sale Agreement will constitute Senior Obligations of the District, and (c) the obligations of the JOS Districts under the Installment Sale Agreement will be several, and not joint, obligations;

**WHEREAS**, pursuant to the Master Obligation Agreement and the Installment Sale Agreement (a) the Clearwater Tunnel Project will be a Shared Project, (b) the installment payments payable under the Installment Sale Agreement will be Shared Project Obligations, (c) the District will be a member of the Shared Project Group with respect to the installment payments payable under the Installment Sale Agreement, (d) the installment payments payable under the Installment Sale Agreement will be Supported Obligations, (e) the District will be a member of the Support Group with respect to the installment payments payable under the Installment Sale Agreement, and (f) the Shared Project Percentage of the District with respect to the installment payments payable under the Installment Sale Agreement, for any period, will be equal to the percentage, specified in decimal form, of the quotient of (i) the number of Sewage Units attributable to the District for such period, divided by (ii) the aggregate number of Sewage Units attributable to all of the JOS Districts for such period;

**WHEREAS**, there has been prepared and submitted to this meeting a form of Installment Sale Agreement; and

**WHEREAS**, the Board of Directors of the District (the “Board of Directors”) desires to authorize the execution and delivery of the Installment Sale Agreement and such other documents and the performance of such acts as may be necessary or desirable to consummate the transactions contemplated thereby;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of County Sanitation District No. 8 of Los Angeles County, as follows:

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

**Section 2.** The Installment Sale 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 Chairperson of the Board of Directors, the Chairperson *Pro Tem* of the Board of Directors, or such other member of the Board of Directors as the Chairperson may designate, the Chief Engineer and General Manager of the District and the Assistant Chief Engineer and Assistant General Manager of the District (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 District, to execute and deliver the Installment Sale 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 aggregate amount of the installment payments comprising principal payable thereunder shall not exceed \$140,000,000, the interest rate on such installment payments comprising principal payable thereunder shall not exceed 2.00% *per annum*, and the final installment payment payable thereunder shall be due no later than July 1, 2054.

**Section 3.** The Authorized Officers and the officers and employees of the District are, and each of them is, hereby authorized and directed, for and in the name and on behalf of the District, 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 desirable 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 4.** The Board of Directors 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 5.** All actions heretofore taken by the Authorized Officers and the officers and employees of the District with respect to the Installment Sale Agreement, 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 6.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by the Board of Directors of County Sanitation District No. 8 of Los Angeles County on April 13, 2022.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Chairperson

ATTEST:

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Secretary