

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
COUNTY SANITATION DISTRICT NO. 17
HELD AT THE OFFICE OF THE DISTRICT
VIA TELECONFERENCE

April 27, 2022
1:30 o'clock, P.M.

Pursuant to the call of the Chairperson and upon written notice of the Secretary setting the time and place of a special meeting and mailed to each Director at least 24 hours before the meeting, a special meeting of County Sanitation District No. 17 of Los Angeles County was held at the Joint Administration Office, 1955 Workman Mill Road, Whittier, California, on April 27, 2022, at 1:30 p.m., via teleconference, for the purpose of:

1. Public Comment
2. Approve Minutes of Special Meeting Held February 23, 2022
3. Approve *Resolution of the Board of Directors of County Sanitation District No. 17 of Los Angeles County 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*
4. Introduce *An Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 17 of Los Angeles County*, and Waive Reading of Said Ordinance in its Entirety
5. Re: State Revolving Fund (SRF) and Water Infrastructure Finance and Innovation Act (WIFIA) Financing
 - (a) Adopt *Resolution of the Board of Directors of County Sanitation District No. 17 Authorizing the Execution and Delivery by the District of a Term Sheet Setting Forth the Terms and Conditions of a Loan from the United States Environmental Protection Agency to Finance a Portion of the Costs of the Joint Water Pollution Control Plant Effluent Outfall Tunnel Project, a Loan Agreement with Respect to Such Loan and a Promissory Note Evidencing the Payment Obligations Under Such Loan Agreement and Authorizing the Execution and Delivery of Agreements, Documents, Certificates and Instruments and Related Actions in Connection Therewith*
 - (b) Adopt *Resolution of the Board of Directors of County Sanitation District No. 17 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*
 - (c) Adopt *Resolution of the Board of Directors of County Sanitation District No. 17 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 216th Street Replacement Trunk Sewer Phase 2 Project and Authorizing the Execution and Delivery of Agreements, Documents, Certificates and Instruments and Related Actions in Connection Therewith*

There were present: Sheila Kuehl, Alternate Director from Los Angeles County
Kathryn Barger, Chairperson, Director from Los Angeles County

Absent: Victor Gordo, Chairperson, Director from Pasadena

Also present: Kimberly S. Christensen, Secretary to the Board
Wes Beverlin, District Counsel

RE: PUBLIC COMMENT The Chairperson announced this was the time for any questions or comments by members of the public. There were no public comments or questions to address the Board on any matters.

RE: MINUTES Upon motion of Director Kuehl, duly seconded and unanimously carried by a roll-call vote, the minutes of the special meeting held February 23, 2022, were approved.

RE: RESOLUTION 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 - ADOPT A proposed *Resolution of the Board of Directors of the County Sanitation District No. 17 of Los Angeles County 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*, was presented. Remote teleconference 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), each District 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 was attached to the agenda. A recommendation was made to adopt the Resolution.

Upon motion of Director Kuehl, duly seconded and unanimously carried by a roll-call vote, the following Resolution was adopted:

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
COUNTY SANITATION DISTRICT NO. 17 OF LOS ANGELES COUNTY
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 County Sanitation District No. 17 of Los Angeles County ("District") is committed to preserving and nurturing public access and participation in meetings of the District's Board of Directors and committees; and

WHEREAS, all meetings of the District's Board of Directors 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 District's Board of Directors 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 Board of Directors of the District 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 County of Los Angeles Department of Public Health Order of the Health Officer issued March 3, 2022 (the "County Order") includes recommendations that all persons within the jurisdiction of the County of Los Angeles public health agency always practice required and recommended infection control measures when among others, especially in an indoor setting; and

WHEREAS, the District's Board of Directors 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 individuals with underlying health conditions that make them susceptible to severe COVID-19 illness and individuals who are not and cannot be vaccinated, that COVID-19 infection remains a significant health hazard to all residents, 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 Board of Directors of the District does hereby find that the District 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 District shall comply with the requirements to provide the public with access to, and an opportunity to comment at all meetings of the District's legislative bodies in accordance with the requirements of the Brown Act Section 54953(e)(2); and

WHEREAS, the District 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, THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 17 OF LOS ANGELES COUNTY 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 Board of Directors of the District does hereby proclaim that a local emergency now exists throughout the territory of the District and, as described in the County Order, recommendations from health officers include ongoing masking, and social distancing practices especially for indoor settings and particularly for individuals who, due to vaccine status or underlying health conditions, continue to be at risk for severe illness, and COVID-19 infection remains a significant health hazard to all residents of the District.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The District's Board of Directors 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 Chief Engineer and General Manager, 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 30 days after the date of this resolution, or such time that the District's Board of Directors 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 District may continue to teleconference without compliance with the requirements of the Brown Act Section 54953(b)(3).

PASSED AND ADOPTED by the Board of Directors of the County Sanitation District No. 17 of Los Angeles County this 27th day of April 2022 by the following vote:

AYES: Two (2)

NOES: None

ABSTAIN: None

ABSENT: One (1)

RE: INTRODUCE CONNECTION
FEE RATE ORDINANCE

Prior to meeting in regular session, in the Status Report, the Chief Engineer and General Manager stated that all agendas have an item related to the connection fee, which is paid by new users or upgrades to the amount of flow. Recent changes to the financial practices for the Joint Outfall System results in an update to the Connection Fee Ordinance.

In regular session, an *Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 17 of Los Angeles County* (Connection Fee Rate Ordinance), was presented. Wastewater connection fees are paid by new users or existing dischargers who increase their discharge. The fees are calculated using a “buy-in” methodology where new users or increasing dischargers buy-in to the existing facilities and funds. Revisions to the Ordinances are needed due to the Joint Outfall System financial consolidation that will become effective July 1, 2022, and the proposed service charge rates presented to the Board in February. Copies of the proposed Connection Fee Rate Ordinance and a letter discussing the proposed changes were attached to the agenda. This item is consistent with the Districts’ Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases. A recommendation was made to adopt the Ordinance. A copy of the Ordinance accompanied the agenda.

Upon motion of Director Kuehl, duly seconded and unanimously carried by a roll-call vote, an *Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for County Sanitation District No. 17 of Los Angeles County* (Connection Fee Rate Ordinance) was introduced, and after reading of the title thereof, further reading of the Ordinance was waived.

RE: RESOLUTIONS OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 17 AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF A TERM SHEET SETTING FORTH THE TERMS AND CONDITIONS OF A LOAN FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO FINANCE A PORTION OF THE COSTS OF THE JOINT WATER POLLUTION CONTROL PLANT EFFLUENT OUTFALL TUNNEL PROJECT, A LOAN AGREEMENT WITH RESPECT TO SUCH LOAN AND A PROMISSORY NOTE EVIDENCING THE PAYMENT OBLIGATIONS UNDER SUCH LOAN AGREEMENT AND 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 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 216TH STREET REPLACEMENT TRUNK SEWER PHASE 2 PROJECT - ADOPT

Proposed Resolutions of the Board of Directors of County Sanitation District No. 17 *Authorizing the Execution and Delivery by the District of a Term Sheet Setting Forth the Terms and Conditions of a Loan from the United States Environmental Protection Agency to Finance a Portion of the Costs of the Joint Water Pollution Control Plant Effluent Outfall Tunnel Project, a Loan Agreement with Respect to Such Loan and a Promissory Note Evidencing the Payment Obligations Under Such Loan Agreement and 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 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 216th Street Replacement Trunk Sewer Phase 2 Project*, were presented.

In order to finance the Joint Outfall System (JOS) Joint Water Pollution Control Plant Effluent Outfall Tunnel Project (Tunnel Project), also known as the Clearwater Tunnel, the Districts applied for financial assistance (effectively a low-cost loan) from the State Water Resources Control Board’s Clean Water State Revolving Fund (SRF) and for a loan from the US Environmental Protection Agency’s Water Infrastructure Finance and Innovation Act (WIFIA) program. The agencies have approved the applications for up to approximately \$140 million in SRF financial assistance and up to approximately \$441 million for the WIFIA loan. In addition, in order to finance the 216th Street Replacement Trunk Sewer Phase 2 Project (216th Street Project), District No. 8 applied for \$17.5 million in

financial assistance through the SRF program. The proposed Resolutions are required to finalize the SRF and WIFIA financing for the two projects. The proposed Resolutions authorize approval of the necessary documents

and direct staff to distribute the documents. The WIFIA documents (WIFIA Term Sheet, WIFIA Loan Agreement, WIFIA Loan Agreement Promissory Note) and the SRF Installment Sale Agreements (*Clearwater Project SRF Installment Sale Agreement* and *216th Street Project SRF Installment Agreement*) are in a substantially final form. With the pending changes from the recently adopted Joint Outfall Agreement, the 216th Street Project will become a JOS Project on July 1, 2022, and therefore, approval of the SRF Installment Sale Agreement by all JOS boards is required. The District No. 2 Board, acting on behalf of the JOS Districts, previously certified the Final Environmental Impact Report and approved the Final Master Facilities Plan for the Tunnel Project, and District No. 8 previously approved a Notice of Exemption for the 216th Street Project. Staff has determined that adoption of the proposed resolutions does not constitute a "Project" under the California Environmental Quality Act (CEQA) pursuant to California Public Resources Code Section 21065 and Title 14 of the California Code of Regulations ("CEQA Guidelines") Section 15378. 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. A copy of the proposed Resolutions were attached to the agenda. A recommendation was made to adopt the Resolutions.

The Chief Engineer and General Manager stated that he previously briefed the Boards on the matter of financing the Clearwater Tunnel Project. The Districts is procuring state and federal funds for a total of \$581 million. This will help to finance the tunnel and minimize rate increases. The financing is spread over 30 years. In addition, a small portion will finance the 216th Street Replacement Trunk Sewer Project in the city of Carson.

Upon motion of Director Finlay, duly seconded and unanimously carried by a roll-call vote, the following Resolutions were adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION
DISTRICT NO. 17 OF LOS ANGELES COUNTY AUTHORIZING THE EXECUTION
AND DELIVERY BY THE DISTRICT OF A TERM SHEET SETTING FORTH THE
TERMS AND CONDITIONS OF A LOAN FROM THE UNITED STATES
ENVIRONMENTAL PROTECTION AGENCY TO FINANCE A PORTION OF THE
COSTS OF THE JOINT WATER POLLUTION CONTROL PLANT EFFLUENT
OUTFALL TUNNEL PROJECT, A LOAN AGREEMENT WITH RESPECT TO SUCH
LOAN AND A PROMISSORY NOTE EVIDENCING THE PAYMENT OBLIGATIONS
UNDER SUCH LOAN AGREEMENT 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. 17 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 applied to the United States Environmental Protection Agency (the "EPA") for a loan (the "WIFIA Loan") pursuant to the Water Infrastructure Finance and Innovation Act;

WHEREAS, the EPA, acting by and through the Administrator of the Environmental Protection Agency (the "WIFIA Lender"), has accepted and approved such application of the JOS Districts;

WHEREAS, the JOS Districts and the WIFIA Lender have negotiated a term sheet setting forth the terms and conditions of the WIFIA Loan (such term sheet, 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 "WIFIA Loan Term Sheet");

WHEREAS, the JOS Districts and the WIFIA Lender propose to enter into a loan agreement setting forth the rights and obligations of each thereof with respect to the WIFIA Loan, including those rights and obligations set forth in the WIFIA Loan Term Sheet (such loan 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 "WIFIA Loan Agreement");

WHEREAS, the JOS Districts' payment obligations under the WIFIA Loan Agreement are to be evidenced by a promissory note of the JOS Districts payable to the WIFIA Lender (such promissory note, 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 "WIFIA Note");

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 WIFIA Loan Agreement (a) the WIFIA Loan Agreement and the WIFIA Note will be designated as Senior Contracts of the District, (b) the loan payments under the WIFIA Loan Agreement and the WIFIA Note will constitute Senior Obligations of the District, and (c) the obligations of the JOS Districts under the WIFIA Loan Agreement and the WIFIA Note will be several, and not joint, obligations;

WHEREAS, pursuant to the Master Obligation Agreement and the WIFIA Loan Agreement (a) the Clearwater Tunnel Project will be a Shared Project, (b) the loan payments under the WIFIA Loan Agreement and the WIFIA Note will be Shared Project Obligations, (c) the District will be a member of the Shared Project Group with respect to the loan payments under the WIFIA Loan Agreement and the WIFIA Note, (d) the loan payments under the WIFIA Loan Agreement and the WIFIA Note will be Supported Obligations, (e) the District will be a member of the Support Group with respect to the loan payments under the WIFIA Loan Agreement and the WIFIA Note, and (f) the Shared Project Percentage of the District with respect to the loan payments under the WIFIA Loan Agreement and the WIFIA Note, 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 have been prepared and submitted to this meeting forms of;

- (a) the WIFIA Loan Term Sheet;
- (b) the WIFIA Loan Agreement; and
- (c) the WIFIA Note; and

WHEREAS, the Board of Directors of the District (the "Board of Directors") desires to authorize the execution and delivery of the WIFIA Loan Term Sheet, the WIFIA Loan Agreement and the WIFIA Note 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. 17 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 WIFIA Loan Term Sheet, 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 WIFIA Loan Term Sheet 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 3. Each of the WIFIA Loan Agreement and the WIFIA Note, 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 District, to execute and deliver the WIFIA Loan Agreement and the WIFIA Note 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 Maximum Principal Amount (as defined in the WIFIA Loan Agreement) of the WIFIA Loan shall not exceed \$441,169,005, the Final Maturity Date (as defined in the WIFIA Loan Agreement) of the WIFIA Loan shall not be later than September 15, 2057, and the WIFIA Interest Rate (as defined in the WIFIA Loan Agreement) on the WIFIA Loan shall not exceed 4.00% *per annum* (subject to any adjustments thereto as set forth in the definition of Default Rate in the WIFIA Loan Agreement).

Section 4. 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 5. 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 6. All actions heretofore taken by the Authorized Officers and the officers and employees of the District with respect to the WIFIA Loan Term Sheet, the WIFIA Loan Agreement and the WIFIA Note, 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 7. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 17 of Los Angeles County on April 27, 2022.

RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 17 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. 17 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. 17 of Los Angeles County, as follows:

Section 8. All of the recitals herein contained are true and correct and the Board of Directors so finds and determines.

Section 9. 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 10. 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 11. 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 12. 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 13. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 17 of Los Angeles County on April 27, 2022.

RESOLUTION OF THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 17 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 216TH STREET REPLACEMENT TRUNK SEWER PHASE 2 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 216th Street Replacement Trunk Sewer Phase 2 Project (the "216th Street Project"), County Sanitation District No. 17 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 216th Street 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 216th Street 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 216th Street 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. 17 of Los Angeles County, as follows:

Section 14. All of the recitals herein contained are true and correct and the Board of Directors so finds and determines.

Section 15. 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 \$17,500,000, 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 March 31, 2054.

Section 16. 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 17. 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 18. 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 19. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 17 of Los Angeles County on April 27, 2022.

AYES: Directors Kuehl, and Barger

NOES: None

ABSTAIN: None

ABSENT: Director Gordo

The meeting was adjourned by the Chairperson to Wednesday, May 25, 2022, 1:30p.m. via teleconference at the District's Joint Administration Office.

KATHRYN BARGER
Chairperson

ATTEST:

KIMBERLY S. CHRISTENSEN
Secretary

/ee