



**TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT
RESOLUTION 2022-30**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT APPROVING AND AUTHORIZING THE EXECUTION OF
DOCUMENTS AND APPROVING RELATED ACTIONS IN CONNECTION WITH THE
ISSUANCE AND SALE BY THE DISCOVERY BAY PUBLIC FINANCING AUTHORITY OF
ENTERPRISE REVENUE REFUNDING BONDS, SERIES 2022B (2012 WATER AND
WASTEWATER PROJECTS REFINANCING) IN THE PRINCIPAL AMOUNT NOT TO EXCEED
\$11,725,000 TO REFINANCE THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS
TO THE WATER AND WASTEWATER ENTERPRISES OF THE TOWN OF DISCOVERY BAY
COMMUNITY SERVICES DISTRICT**

RESOLVED, by the Board of Directors (the "**Board**") of the Town of Discovery Bay Community Services District (the "**District**"), as follows:

WHEREAS, the Discovery Bay Public Financing Authority, a public entity that is duly organized and existing under a joint exercise of powers agreement and under the Constitution and laws of the State of California (the "**State**"), has the powers, among others, to issue bonds to provide financial assistance to its members pursuant to Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, including but not limited to Article 4 thereof, known as the "Marks-Roos Local Bond Pooling Act of 1985," Government Code Section 6584 *et seq.* (the "**Act**");

WHEREAS, the District is a community services district duly organized and existing under the Community Services District Law of the State and a member of the Authority;

WHEREAS, the District has determined to refinance (a) the acquisition and construction of certain improvements and facilities (the "**2012 Water Project**") to the District's municipal water enterprise (the "**Water Enterprise**"), and (b) the acquisition and construction of certain improvements and facilities (the "**2012 Wastewater Project**") to the District's municipal wastewater enterprise (the "**Wastewater Enterprise**");

WHEREAS, to assist the District to refinance the 2012 Water Project and the 2012 Wastewater Project, the Authority proposes to issue its revenue bonds under Article 4 of the Act (the "**Bond Law**"), designated as the Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Refunding Bonds, Series 2022B (2012 Water and Wastewater Projects Refinancing) (the "**2022B Bonds**"), pursuant to and secured by an Indenture of Trust (the "**2022B Indenture**"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**");

WHEREAS, the 2022B Bonds are to be secured by (i) installment payments to be made by the District pursuant to a Water Installment Sale Agreement (the "**2022B Water Installment**");

Sale Agreement”), by and between the District and the Authority, which installment payments will be payable from net revenues of the Water Enterprise, and (ii) installment payments to be made by the District pursuant to a Wastewater Installment Sale Agreement (the “**2022B Wastewater Installment Sale Agreement**”), by and between the District and the Authority, which installment payments will be payable from net revenues of the Wastewater Enterprise, which together will be calculated to be sufficient, in time and amount, to enable the Authority to pay the principal of and interest and premium (if any) on the 2022B Bonds when due and payable; and

WHEREAS, the District’s obligations under the 2022B Water Installment Sale Agreement will be on parity as to payment and security with the District’s obligations under (i) a Water Installment Sale Agreement, dated as of April 1, 2017, as supplemented and amended by a First Supplement to Water Installment Sale Agreement, dated as of May 1, 2022, each by and between the Authority and the District (as so supplemented and amended, the “**2017 Water Installment Sale Agreement**”), pursuant to which the District agreed to make certain installment payments to the Authority payable from the net revenues of the Water Enterprise, and (ii) a Water Installment Sale Agreement, dated as of May 1, 2022 (the “**2022A Water Installment Sale Agreement**”), by and between the Authority and the District, pursuant to which the District agreed to make certain installment payments to the Authority payable from the net revenues of the Water Enterprise;

WHEREAS, the District’s obligations under the 2022B Wastewater Installment Sale Agreement will be on parity as to payment and security with the District’s obligations under (i) a Wastewater Installment Sale Agreement, dated as of April 1, 2017, as supplemented and amended by a First Supplement to Wastewater Installment Sale Agreement, dated as of May 1, 2022 (as so supplemented and amended, the “**2017 Wastewater Installment Sale Agreement**”), each by and between the Authority and the District, pursuant to which the District agreed to make certain installment payments to the Authority payable from the net revenues of the Wastewater Enterprise, and (ii) a Wastewater Installment Sale Agreement, dated as of May 1, 2022 (the “**2022A Wastewater Installment Sale Agreement**”), by and between the Authority and the District, pursuant to which the District agreed to make certain installment payments to the Authority payable from the net revenues of the Wastewater Enterprise;

WHEREAS, the installment payments made by the District under the 2017 Water Installment Sale Agreement and the 2017 Wastewater Installment Sale Agreement secure the outstanding Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Bonds, Series 2017 (Water and Wastewater projects);

WHEREAS, the installment payments made by the District under the 2022A Water Installment Sale Agreement and the 2022A Wastewater Installment Sale Agreement secure the outstanding Discovery Bay Public Financing Authority (Contra Costa County, California) Enterprise Revenue Bonds, Series 2022 (Water and Wastewater projects);

WHEREAS, the Authority and the District desire to enter into an Escrow Deposit and Trust Agreement (2012 Bonds) (the “**Escrow Agreement**”) with U.S. Bank Trust Company, National Association to effect the refunding of the bonds that funded the 2012 Water Project and the 2012 Wastewater Project;

WHEREAS, following distribution to various private placement investors of a request for proposals by Oppenheimer & Co. Inc., acting as private placement agent (the “**Private Placement Agent**”), the Authority and the District received a proposal in the form of a term sheet from Webster Bank, National Association (or, an affiliate thereof, hereinafter referred to as the

"Purchaser"), pursuant to which the Purchaser has agreed to purchase the 2022B Bonds from the Authority; and

WHEREAS, there have been presented to the Board copies of 2022B Indenture, 2022B Water Installment Sale Agreement, 2022B Wastewater Installment Sale Agreement, the Escrow Agreement and certain other documents relating to the foregoing;

WHEREAS, the Authority and the District previously approved a debt management policy which complies with Government Code Section 8855, and the issuance of the 2022B Bonds and the execution and delivery of the 2022B Water Installment Sale Agreement and the 2022B Wastewater Installment Sale Agreement will be in compliance with said policy;

WHEREAS, pursuant to Section 5852.1 of the California Government Code, certain financial information relating to the 2022B Bonds is attached hereto as Appendix A, and such information has been disclosed and made public; and

WHEREAS, the Board has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the District;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District that are set forth in the above recitals and in the preambles of the documents that are approved herein are true and correct and that: (a) the refinancing of the 2012 Water Project and the 2012 Wastewater Project will result in significant public benefits to the residents of the District of the type that is described in Section 6586 of the Act, in that having the Authority assist the District with respect to the refinancing of the 2012 Water Project and the 2012 Wastewater Project through the issuance of the 2022B Bonds and related transactions will result in demonstrable savings in effective interest rate to the District; and (b) the 2012 Water Project and 2012 Wastewater Project include facilities for the production, storage, transmission or treatment of water and wastewater within the meaning of Section 6586.5(c) of the Act.

Section 2. Issuance and Sale of 2022B Bonds. The Board hereby approves and authorizes the issuance, and the sale to the Purchaser on a private placement basis through the Private Placement Agent, of the 2022B Bonds by the Authority under and pursuant to the Bond Law and the 2022B Indenture for the purpose of providing funds to: (a) refinance the 2012 Water Project and the 2012 Wastewater Project; and (b) pay the costs of issuing the 2022B Bonds; provided, however, that in no event shall the aggregate principal amount of the 2022B Bonds exceed \$11,725,000, nor shall the final maturity date of the 2022B Bonds be later than December 1, 2042, nor shall the all in true interest cost of the 2022B Bonds exceed 3.85%.

Section 3. Approval of Installment Sale Agreements. (a) The Board hereby approves the 2022B Water Installment Sale Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as the President of the Board, the General Manager or the Finance Manager, or any designee thereof (the "**Designated Officers**") shall deem necessary, desirable or appropriate upon consultation with the law firm of Jones Hall, A Professional Law Corporation, as bond counsel ("**Bond Counsel**"), the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to

execute, and the Secretary is hereby authorized and directed to attest to, the final form of the 2022B Water Installment Sale Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the 2022B Water Installment Sale Agreement.

(b) The Board hereby approves the 2022B Wastewater Installment Sale Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with Bond Counsel, the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the 2022B Wastewater Installment Sale Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the 2022B Wastewater Installment Sale Agreement.

Section 4. Approval of Escrow Agreement. The Board hereby approves the Escrow Agreement in the form on file with the Secretary, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with Bond Counsel, the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Escrow Agreement for and in the name and on behalf of the District. The Board hereby authorizes the delivery and performance of the Escrow Agreement.

Section 5. Approval of Term Sheet. The Purchaser has offered to purchase the 2022B Bonds on a direct placement basis pursuant to the terms of a Term Sheet (the “**Term Sheet**”), in the form on file with the Secretary. The Designated Officers, each acting alone, are hereby authorized to execute the Term Sheet, together with such additions thereto and changes therein as the Designated Officers shall deem necessary, desirable or appropriate upon consultation with Bond Counsel, the execution of which by a Designated Officer shall be conclusive evidence of the approval of any such additions and changes, and to take any and all actions necessary to effectuate a sale of the 2022B Bonds to the Purchaser in accordance with the Term Sheet, and any such actions previously taken are hereby ratified and approved.

Section 6. Professionals. In connection with the issuance of the 2022B Bonds, the Board approves the appointment of Jones Hall, A Professional Law Corporation, as bond counsel, Fieldman, Rolapp & Associates, Inc., as Municipal Advisor, and Oppenheimer & Co. Inc., as private placement agent. The Designated Officers are each hereby authorized and directed to execute and deliver, on behalf of the Authority, engagement agreements with each of the foregoing firms, the execution thereof by a Designated Officer being conclusive evidence of their approval.

Section 7. Official Actions. The President of the Board, the General Manager or the Finance Manager, the Secretary and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the 2022B Bonds and the consummation of the transactions as described herein.

APPENDIX A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

The good faith estimates set forth herein are provided with respect to the 2022B Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Fieldman Rolapp & Associates, Inc., the District's Municipal Advisor, in consultation with Oppenheimer & Co. Inc., acting as private placement agent.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2022B Bonds to be sold is \$11,657,000 (the "Estimated Principal Amount").

True Interest Cost of the 2022B Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold, its good faith estimate of the true interest cost of the 2022B 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 2022B Bonds, is 3.54%.

Finance Charge of the 2022B Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2022B 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 2022B Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2022B Bonds), is \$146,952. Such fees and charges include fees for bond counsel, municipal advisor, and private placement agent.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2022B Bonds is sold plus net premium, 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 from the sale of the 2022B Bonds, less the finance charge of the 2022B Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2022B Bonds, is \$11,510,048.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the 2022B 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 to pay debt service on the 2022B Bonds, plus the finance charge for the 2022B Bonds, as described above, not paid with the proceeds of the 2022B Bonds, calculated to the final maturity of the 2022B Bonds, is \$16,353,303.


The foregoing estimates constitute good faith estimates only. The actual principal amount of the 2022B 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 2022B Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2022B Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the 2022B 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 2022B Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the financing plan, delays in the financing, or a combination of such factors. The actual date of sale of the 2022B Bonds and the actual principal amount of 2022B Bonds sold will be determined by the District and the Authority based on the timing of the need for proceeds of the 2022B Bonds and other factors. The actual interest rates borne by the 2022B Bonds will

depend on market interest rates at the time of sale thereof. The actual amortization of the 2022B 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 District and the Authority.

Section 8. Prior Actions Ratified, Confirmed and Approved. All actions heretofore taken by any officer, agent or consultant of the District with respect to the 2022B Bonds, the 2022B Water Installment Sale Agreement, the 2022B Wastewater Installment Sale Agreement and the other agreements referred to herein, or in connection with or related to any of the agreements referred to herein are hereby ratified, confirmed and approved.

Section 9. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED THIS 17 DAY OF August, 2022.



Kevin Graves
President

I, the undersigned Secretary of the Town of Discovery Bay Community Services District, hereby certify that the forgoing is a full, true and correct copy of a resolution duly adopted by the Board of Directors of the Town of Discovery Bay Community Services District at a meeting thereof held on the 17 day of August, 2022, by the following vote of the members thereof:

AYES: 4
NOES: 0
ABSENT: 1
ABSTAIN: 0



Dina Breitstein
Board Secretary