

**RESOLUTION NO. 21-21**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RICHMOND,  
CALIFORNIA, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION  
AND DELIVERY OF A CLEAN WATER STATE REVOLVING FUND  
CONSTRUCTION INSTALLMENT SALE AGREEMENT AND APPROVING THE  
OBLIGATION THEREAFTER AS PARITY DEBT, AND AUTHORIZING CERTAIN  
OTHER ACTIONS RELATED THERETO**

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**WHEREAS**, pursuant to the charter of the City of Richmond, California (the "City") and Chapter 13.56 of Article 13 of the Richmond Municipal Code (the "Bond Law"), the City is authorized to issue revenue bonds to finance the acquisition, construction, improvement, furnishing, equipping, remodeling, repair, reconstruction or rehabilitation of the wastewater treatment and collection facilities of the City (the "Enterprise") or for the purpose of refunding bonds issued for such purposes pursuant to the City's charter and the Bond Law; and

**WHEREAS**, the City has issued bonds pursuant a Wastewater Revenue Bond Indenture, dated as of October 1, 2006 (as amended and supplemented, the "Indenture"), by and between the City and the Bank of New York Mellon Trust Company, N.A. as successor trustee (the "Trustee") including its Wastewater Revenue Bonds, Series 2017A (the "Series 2017A Bonds") pursuant to a Sixth Supplemental Wastewater Revenue Bond Indenture, dated as of August 1, 2017 and its Wastewater Revenue Bonds, Series 2019A and its Wastewater Revenue Refunding Bonds, Series 2019B (collectively, the "Series 2019 Bonds" and together with the Series 2017A Bonds, the "Bonds") pursuant to a Seventh Supplemental Wastewater Revenue Bond Indenture, dated as of June 1, 2019; and

**WHEREAS**, the proceeds of the Bonds have financed or refinanced the costs of the acquisition, construction, improvement, furnishing, equipping, remodeling, repair, reconstruction or rehabilitation of the Enterprise, including such costs referred to as the "Capital Improvements Program Project" (the "Project"); and

**WHEREAS**, the City is requesting financial assistance to finance a portion of the Project through the Clean Water State Revolving Fund program administered by the California State Water Resources Control Board (the "State Water Board"); and

**WHEREAS**, in order to implement the foregoing, the City proposes to enter into a Clean Water State Revolving Fund Construction Installment Sale Agreement (the "Agreement") with the State Water Board and provide that the City's "Obligation" to the State Water Board under the Agreement will be secured as "Parity Debt" under the Indenture having an equal lien or charge upon Net Revenues of the Enterprise, therefore payable on a parity with the outstanding Bonds issued under the Indenture; and

**WHEREAS**, the City further desires to designate the Trustee as paying agent for the payment of the City's "Obligation" to the State Water Board under the Agreement pursuant to the Indenture and provide for the funding of a reserve fund as provided in the Agreement; and

**WHEREAS**, Section 5852.1 of the Government Code of the State of California requires that the City obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds (which includes other evidences of indebtedness) with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (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 said section, the City has obtained from Public Resources Advisory Group, as municipal advisor, the required good faith estimates, as provided in Exhibit A attached hereto; and

**WHEREAS**, the City has full legal right, power and authority under the Constitution and the laws of the State of California to enter into the transactions hereinafter authorized; and

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Richmond (the "City Council"), as follows:

Section 1. The foregoing recitals are true and correct and this City Council hereby so finds and determines.

Section 2. The form of the Agreement on file with the City Clerk of the City and incorporated into this Resolution by reference is hereby approved, and either the Director of Finance of the City or the designee thereof (the "Director of Finance") or the City Manager of the City or the designee thereof (the "City Manager") is hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver to the State Water Board, the Agreement in substantially such form, with such changes thereto as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, that the project funding amount shall be approved by either the Director of Finance or the City Manager, shall not exceed \$50 million in aggregate principal amount and the final payment date under the Agreement shall become due no later than thirty-five years from the effective date of the Agreement.

Section 3. The City's "Obligation" to the State Water Board under the Agreement is hereby approved as "Parity Debt" under the Indenture having an equal lien or charge upon Net Revenues of the Enterprise, therefore payable on a parity with the outstanding Bonds issued under the Indenture.

Section 4. The Director of Finance or the City Manager is hereby authorized to take such actions as may be necessary to establish and fund a reserve account as required under the Agreement.

Section 5. The Trustee is hereby designated as paying agent in connection with the City's "Obligation" to the State Water Board under the Agreement.

Section 6. The officers of the City, each acting alone, are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they may deem necessary or desirable in order to implement the financing authorized hereby to finance any component of the Project, to fund the required reserve account, to pay all transaction costs and expenses including, but not limited to, bond counsel fees, municipal advisor fees, and any other fees or necessary costs, and otherwise to carry out, give effect to and comply with the terms and intent of this resolution and the Agreement, including the execution and delivery of a paying agent agreement; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 7. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the execution and delivery of the Agreement, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of the Agreement or additional confirmations, settlements or revisions, may be given or taken, without further authorization by this City Council and the Director of Finance or the City Manager is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officers may deem necessary or desirable to further the purposes of this Resolution.

Section 8. This resolution shall take effect immediately upon its passage.

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I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held February 23, 2021, by the following vote:

AYES: Councilmembers Bates, Jimenez, Martinez, McLaughlin, Willis, Vice Mayor Johnson, and Mayor Butt.  
NOES: None.  
ABSTENTIONS: None.  
ABSENT: None.

PAMELA CHRISTIAN  
CLERK OF THE CITY OF RICHMOND  
(SEAL)

Approved:

THOMAS K. BUTT  
Mayor

Approved as to form:

TERESA STRICKER  
City Attorney

State of California            }  
County of Contra Costa        } : ss.  
City of Richmond                }



I certify that the foregoing is a true copy of **Resolution No. 21-21**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on February 23, 2021.

*Pamela Christian*  
Pamela Christian, Clerk of the City of Richmond

## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Construction Installment Sale Agreement (the "Agreement") between the City of Richmond (the "City") and California State Water Resources Control Board (the "State Water Board") and in compliance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the City by Public Resources Advisory Group, as municipal advisor (the "Municipal Advisor") to the City. For purposes of the financing numbers provided below, the Municipal Advisor has relied on the preliminary payment schedule titled, "California CWSRF Payment Schedule" provided to the City by the State Water Board.

Principal Amount. The Municipal Advisor has informed the City that, based on the payment schedule provided by the State Water Board, its good faith estimate of the aggregate principal amount of the project funding amount (the "Obligation") under the Agreement is \$50,000,000 (the "Estimated Principal Amount").

True Interest Cost of the Obligation. Assuming that the Estimated Principal Amount of the Agreement is financed, and based on the loan rate and the loan provided by the State Water Board, the good faith estimate of the true interest cost of the Obligation, 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 Obligation, is 1.40%.

Finance Charge of the Obligation. Assuming that the Estimated Principal Amount of the Obligation is financed, the good faith estimate of the finance charge for the Obligation, which means the sum of all fees and charges paid to third parties (or costs associated with the Obligation), is \$175,000.

Amount of Proceeds to be Received. Assuming that the Estimated Principal Amount of the Obligation is financed, and based on the loan rate and the loan repayment terms provided by the State Water Board, the good faith estimate of the amount of proceeds expected to be received by the City for the financing of the Obligation, less the finance charge of the Obligation, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Obligation, is \$50,000,000.

Total Payment Amount. Assuming that the Estimated Principal Amount of the Obligation is financed, and based on the loan rate and the loan repayment terms provided by the State Water Board, the good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Obligation, plus the finance charge for the Obligation, as described above, not paid with the proceeds of the Obligation, calculated to the final maturity of the Obligation, is \$61,483,412.01.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligation financed, 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.

CLERK'S CERTIFICATE

I, Pamela Christian, City Clerk of the City of Richmond, do hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a **Resolution No. 21-21** duly adopted at a regular meeting of the City Council of said City duly and regularly held at the regular meeting place thereof on the 23<sup>rd</sup> day of February, 2021, of which meeting all of the members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:	Councilmembers Bates, Jimenez, Martinez, McLaughlin, Willis, Vice Mayor Johnson, and Mayor Butt.
NOES:	None.
ABSTENTIONS:	None.
ABSENT:	None.

An agenda of said meeting was posted before said meeting at City Hall, 440 Civic Center Plaza, Richmond, California 94804, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

Such agenda was further posted and such meeting was conducted in accordance with and pursuant to Executive Order N-29-20, signed by the Governor of the State of California on March 17, 2020 and Executive Order N-35-20, signed by the Governor of the State of California on March 21, 2020.

I have carefully compared the foregoing with the original on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: February 25, 2021.

  
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City Clerk of the City of Richmond

[SEAL]

