



**CITY OF PITTSBURG
AGENDA**

MAY 02, 2022

**CITY HALL COUNCIL CHAMBER
65 CIVIC AVENUE, PITTSBURG, CA**

**CLOSED SESSION
5:30 P.M.**

**REGULAR MEETINGS
7:00 P.M.**

**CITY COUNCIL
FINANCING AUTHORITY
HOUSING AUTHORITY
PITTSBURG ARTS AND COMMUNITY FOUNDATION
PITTSBURG POWER COMPANY
SOUTHWEST PITTSBURG GEOLOGIC HAZARD ABATEMENT DISTRICT II
SUCCESSOR AGENCY**

PRESIDING

**Holland Barrett White, Mayor/Chair
Shanelle Scales-Preston, Vice- Mayor/Chair
Juan Antonio Banales, Council Member/Board Member
Jelani Killings, Council Member/Board Member
Marilyn “Merl” Craft, Council Member/Board Member**

**FOR HOUSING AUTHORITY:
S.L. Floyd, Housing Authority Member
Annie Hill Herring, Housing Authority Member**

Pittsburg City Council meetings are held the first and third Mondays of each month at 7:00 p.m. The Housing Authority meets in conjunction with the City Council on the third Monday of each month. The Pittsburg City Council meets regularly in the Council Chamber at 65 Civic Avenue, unless otherwise noted above. The City Council also sits as the Board of Directors of several other City agencies. The stipends for all agency members conform to state statutes governing compensation amounts. All other Agencies meet on an as needed basis and will be listed above if applicable. Copies of the open session agenda packets, which are distributed to the City Council, are on file in the office of the City Clerk, 65 Civic Avenue, Pittsburg, California, and are available for public inspection, beginning 72 hours in advance, during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, except from noon to 1:00 p.m. and City holidays). The agenda and reports are also located on the City’s website at www.pittsburgca.gov. Additionally, if any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports and documents will also be available for public inspection in the City Clerk’s Office and on the day of the meeting in the Council Chamber at the public counter area below the dais.

AUDIENCE REMARKS

The Audience Remarks period is for the public to comment on any items scheduled to be heard during the Closed Session portion of the meeting, if applicable.

5:30 P.M. - CONVENE IN CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Section 54957.6:

City designated representatives: Garrett Evans, Maria Aliotti, Jennifer Brizel

Employee organizations: American Federation of State, County, and Municipal Employees Local 512 Management/Professional/Confidential Unit and Miscellaneous A Unit; Pittsburg Police Officers' Association; Pittsburg Police Managers Group; Teamsters Local 856; International Brotherhood of Electrical Workers Local 1295

Unrepresented employees: Management Group; Senior Executive Team

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS pursuant to Section 54956.8:

Property – A portion of property north of the Dover Well; Negotiator for the City – Garrett Evans and Maria Aliotti; Negotiating Party – Clear Channel Outdoor: Both price and terms of payment

3. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION pursuant to Section 54956.9(d)(1):

Save Mount Diablo v. City of Pittsburg et al., Contra Costa County Superior Court case no. CIVMSN21-0462

7:00 P.M. - CONVENE IN OPEN SESSION FOR REGULAR MEETING

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

4. Contra Costa Transportation Authority: Smart Signals Project

5. Commendation

CITY MANAGER REPORTS/REMARKS

The City Manager may make brief announcements or informal comments at this time and brief the Council on items of interest. (No Action Required)

PUBLIC COMMENTS

Members of the audience who wish to address the City Council or Agency Boards on issues that are not scheduled for the agenda and on any items listed as part of the Consent Calendar should complete a Speaker's Card available at the dais. Please read the card carefully in order to fill out the card properly. Submit the completed card to the City Clerk before the item is called, preferably before the meeting begins. Individuals will be given three minutes to address the Council unless additional time is allowed as provided for spokespersons. Prior to speaking, each member of the public shall state their name and business and City of residence in a clear and audible tone of voice. (No Action Required)

COMMITTEE REPORTS

Council Members may make a report on their committee assignments at this time. (see attached list of adhoc committees and other public agencies in which Council members participate). (No Action Required)

PITTSBURG FINANCING AUTHORITY

CONSIDERATION

6. Adoption of a City of Pittsburg Public Financing Authority Resolution Approving the Sale of Water Revenue Bonds and a City of Pittsburg Resolution Authorizing the Execution and Delivery of an Installment Purchase Agreement for the Purpose of Causing Issuance of Revenue Bonds and Certain Documents in Connection Therewith

The City of Pittsburg Public Financing Authority ("Authority") and the City of Pittsburg ("City") propose to take the necessary steps to issue Water Revenue Bonds ("Bonds"), and execute an Installment Purchase Agreement ("Installment Purchase Agreement"), and certain documents in connection with the issuance of the Bonds to finance the acquisition and construction of certain existing improvements, betterments, renovations and expansions of facilities within its water system (collectively, the "2022 Project").

CITY COUNCIL MEETING

PUBLIC HEARING

7. Introduction and Waive Further Reading of an Ordinance Adding Chapter 10.61 to Title 10, Prohibiting Spectators at Illegal Speed Contests, Exhibitions of Speed or Sideshows

Vehicle exhibitions and street racing have been a recurring concern for the health and safety of motorists, pedestrians, and residents in the city. These activities have caused fatal collisions, property damage and traffic congestion, creating a public nuisance. Illegal speed contests, exhibitions of speed, and sideshows pose a clear danger to the residents of the city and the motoring public traveling on the roadways within the city. Current state law does not allow for enforcement on private property, where many of these events occur. The purpose of the proposed ordinance is to prohibit spectators at illegal racing events with the aim of significantly curbing the criminal activity.

CONSIDERATION

8. By Minute Order, Accept City Goals Progress Report for Fiscal Years 2020-22 and American Rescue Plan Act Funding Priorities

On January 29, 2022, the City Council held a public workshop to discuss the progress report on the two-year goals for Fiscal Years (FY) 2020-22. During the workshop, staff and the facilitator presented updates, responded to questions and received comments from City Council Members regarding goals and priorities. Staff is recommending the City Council accept the Progress Report on City Goals and provide direction on use of the American Rescue Plan Act (ARPA) funds.

CONFLICT OF INTEREST STATEMENT

City Council/Agency Members may make any conflict of interest declarations pertaining to Consent Calendar items at this time.

COMBINED CITY COUNCIL, PITTSBURG ARTS AND COMMUNITY FOUNDATION, PITTSBURG POWER COMPANY, SUCCESSOR AGENCY AND SOUTHWEST PITTSBURG GHAD II CONSENT CALENDAR

9. Minutes of April 18, 2022
10. Adoption of a City Council Resolution Making Findings in Support of Continuing to Hold Public Meetings by Teleconference Pursuant to California Government Code Section 54953(e)

Assembly Bill 361 (AB 361) amended the Brown Act to allow local legislative bodies to continue to meet remotely during proclaimed states of emergency under specified conditions. Findings must be made every 30 days.

11. Adoption of a City Council Resolution Directing the Engineer of Work to Prepare and File an Annual Report for the Citywide Landscaping and Lighting Assessment District 88-01 for Fiscal Year 2022-2023

Directing the City Engineer as the Engineer of Work to prepare and file the Engineer's Report is the first of three steps in the annual renewal process for the Citywide Landscaping & Lighting Maintenance District 88-01. Upon receipt and approval of the Engineer's Report, the City Council may then order that the liens be placed on the County tax roll. Revenue collected through this district is necessary to fund the landscaping and lighting operations on a citywide basis.

12. Adoption of a City Council Resolution Directing the Engineer of Work to Prepare and File an Annual Report for the Oak Hills Landscaping and Lighting Assessment District 88-02 for Fiscal Year 2022-2023

Directing the City Engineer as the Engineer of Work to prepare and file the Engineer's Report is the first of three steps in the annual renewal process for the Oak Hills Landscaping & Lighting Maintenance District 88-02. Upon receipt and approval of the Engineer's Report, the City Council may order that the assessments be placed on the County tax roll. Revenue collected through this

district is necessary to fund the City's landscaping and lighting operations in the Oak Hills area.

13. Adoption of a City Council Resolution Approving a List of Projects to be Funded for Fiscal Year 2022-23 by SB 1, the Road Repair and Accountability Act of 2017

Each fiscal year the City must adopt by resolution a list of projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), also known as "SB 1." Attached to this report is the proposed list projects to receive this funding during Fiscal Year 2022-23.

14. Adoption of a City Council Resolution to Authorize Execution of the Second Amendment to the Consultant Agreement with Harrison Engineering, Inc. for Project 2019, BART Pedestrian and Bicycle Connectivity Project

Project 2019, BART Pedestrian and Bicycle Connectivity Project (the "Project") is for the construction of pedestrian/bicycle trails and bicycle lanes around the Pittsburg Center BART Station in order to provide better access. This resolution will authorize an amendment to the Consultant Services Agreement with Harrison Engineering, Inc., for additional design services necessary to complete the Project design.

15. Adoption of an Ordinance for a Military Equipment Use Policy Per Assembly Bill 481

On April 18, 2022, the City Council introduced and waived further reading of an Ordinance for a Military Equipment Policy per Assembly Bill 481.

COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

Council Members may request items to be considered for future agendas. An item will only be brought forward with a majority vote and will appear on a future agenda with staff recommendations for further Council consideration.

COUNCIL MEMBER REMARKS

Council Members may make brief announcements or informal comments at this time. (No Action Required)

ADJOURNMENT to May 16, 2022

NOTICE TO PUBLIC

GENERAL INFORMATION

Copies of the open session agenda packets, which are distributed to the City Council, are on file in the office of the City Clerk, 65 Civic Avenue, Pittsburg, California, and are available for public inspection, beginning 72 hours in advance, during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, except City holidays). The full packets are also located on the City's website at www.pittsburgca.gov. If any reports or documents, which are public records, are distributed to the City Council less than 72 hours before the meeting, those reports or documents will be available for public inspection in the City Clerk's Office and on the day of the meeting in the Council Chamber at the public counter area below the dais.

SPEAKER'S CARD

Members of the audience who wish to address the City Council on issues that are not scheduled for the agenda and on any items listed as part of the agenda should complete a Speaker's Card available at the dais. Please read the card carefully in order to fill out the card properly. Submit the completed card to the City Clerk before the item is called, preferably before the meeting begins. Individuals will be given up to three minutes to address the Council unless additional time is allowed as provided for spokespersons. Speakers are not permitted to yield their time to another speaker. Prior to speaking, each member of the public shall state their name and business and City of residence in a clear and audible tone of voice. Pursuant to the Brown Act, no action may be taken by the City Council on items not already scheduled on the agenda; however, the City Council may refer your comments/concerns to staff or request that the item be placed on a future agenda.

PUBLIC HEARINGS

Persons who wish to speak on Public Hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to public comment and brought to the Council/Agency level for discussion and action. Further comment from the audience will not be received unless requested by the Council/Agency.

There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised in the public hearing, or in written correspondence delivered to the City Council prior to or at the public hearing. The City Council may be requested to reconsider a decision if the request is made prior to the next City Council meeting, regardless of whether it is a regular or special meeting.

NOTICE TO THE DISABLED AND VISUALLY OR HEARING IMPAIRED

In compliance with the Americans with Disabilities Act, the City of Pittsburg will provide special assistance for disabled citizens. Upon request, an agenda for any meeting shall be made available in appropriate alternative formats. The Council Chamber is equipped with sound amplifier units for use by the hearing impaired. The units operate in conjunction with the Chamber's sound system. You may request the sound amplifier from the City Clerk for personal use during Council meetings. If you need special assistance to participate in this meeting, or are requesting a specially formatted agenda, please contact the City Clerk at 925-252-4850. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting or provide the requested agenda format. (28 CFR 35.102-35.104 ADA Title II)

DISRUPTIVE CONDUCT

The Council requests that you observe the order and decorum of our Council Chamber by turning off or setting to vibrate all cellular telephones and electronic devices, and that you refrain from making personal, impertinent, or slanderous remarks. Boisterous and disruptive behavior while the Council is in session, and the display of signs in a manner which violates the rights of others or prevents others from watching or fully participating in the Council meeting, is a violation of our Municipal Code and any person who engages in such conduct can be ordered to leave the Council Chamber by the Mayor.

LIVE MEDIA BROADCASTING ADVISEMENT

City Council meetings are webcast live on the City's website at www.pittsburgca.gov on the Streaming Media page. Past meetings are also archived on that webpage. Watch the live meeting via the City's webcast (www.pittsburgca.gov), or on Delta TV Comcast Channel 32, or Delta TV AT&T U-Verse Channel 99. For more information, please contact the City Clerk's office at 252-4850.

City Council Outside Agency / Liaison / Sub-Committees Assignments - 2022

Updated December 20, 2021

<u>OUTSIDE AGENCY BOARDS</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
ABAG	Shanelle Scales-Preston / Holland White Alt.	Standing	Annual	G. Evans
Delta Diablo**	Juan Banales / Shanelle Scales-Preston Alt.	Standing	2 nd Wednesday	R. Abono
East Co. Co. County Habitat Conservancy	Juan Banales / Jelani Killings Alternate	Standing	Monthly	Planning
East County Water Management	Juan Banales / Jelani Killings Alternate	Standing	Annual	R. Abono
MCE Clean Energy Board	Shanelle Scales-Preston / Holland White Alt.	Standing	4 Per Year	D. Buchanan
TRANSPAN / ECCRFFA	Holland White / Juan Banales Alternate	Standing	2 nd Thursday	R. Abono
Tri-Delta Transit (2 reps)***	S. Scales-Preston & Merl Craft / Jelani Killings Alt.	Standing	Last Wednesday	R. Abono

<u>LIAISON TO</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
East Bay League of Calif. Cities	Shanelle Scales-Preston / Merl Craft Alt.	Standing	3 rd Thursday	*Rotational
Mayor's Conference	Holland White / Shanelle Scales-Preston Alt.	Standing	1 st Thursday	G. Evans
School Districts Committee (2x2)	Shanelle Scales-Preston & Merl Craft / Jelani Killings Alt.	Standing	2 nd Thursday even months	G. Evans

<u>SUBCOMMITTEES</u>	<u>COUNCIL MEMBER(S)</u>	<u>TYPE</u>	<u>MEETS</u>	<u>STAFF</u>
American Rescue Plan Act (ARPA)	Holland White / S. Scales-Preston / Juan Banales Alt.	Ad Hoc	As needed	G. Evans
CAC CDBG Subcommittee	S. Scales-Preston & Jelani Killings / Holland White Alt.	Standing	As needed	M. Aliotti
City Council Policy and Procedures Review	Juan Banales & Merl Craft	Ad Hoc	As needed	G. Evans
City Infrastructure and Transportation (2)	S. Scales-Preston & Juan Banales / Holland White Alt.	Standing	As needed	G. Evans
Community Services Subcommittee	Merl Craft & Shanelle Scales-Preston / Juan Banales Alt.	Standing	As needed	M. Aliotti
Constituent Management Services	S. Scales-Preston & Juan Banales / Holland White Alt.	Ad Hoc	As needed	G. Evans
Government Performance Subcommittee	Holland White & Jelani Killings	Ad Hoc	As needed	G. Evans
Hills Committee	Juan Banales & Jelani Killings / Merl Craft Alt.	Ad Hoc	As needed	G. Evans
Pittsburg Recognition Committee	Holland White / Shanelle Scales-Preston Alt.	Standing	As needed	J. Hecht
Economic Develop/Waterfront Subcommittee	Jelani Killings & Holland White / S. Scales-Preston Alt.	Standing	As needed	J. Davis
Finance Subcommittee (1)	Juan Banales & Holland White / S. Scales-Preston Alt.	Standing	As needed	P. Rodrigues
Land Use Subcommittee (3)	Juan Banales & Holland White / S. Scales-Preston Alt.	Standing	As needed	J. Davis
Pittsburg Arts & Community Foundation	Merl Craft & S. Scales-Preston / Jelani Killings Alt.	Standing	As needed	G. Evans
Pittsburg Police Activities League (PAL)	Holland White & S. Scales-Preston / Jelani Killings Alt.	Standing	Monthly	B. Addington
Power Company Advisory	Holland White & S. Scales-Preston / Juan Banales Alt.	Standing	As needed	D. Buchanan
Public Safety Subcommittee	Holland White & Shanelle Scales-Preston	Standing	As needed	B. Addington
Sister City Committee	Jelani Killings & Holland White / Merl Craft Alt.	Standing	As needed	K. Simonton

*Rotational Staff as assigned by City Manager

**Stipend of \$170 per month

***Stipend of \$100 per month



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor/Chair and Council/Governing Board Members

FROM: Garrett Evans, Executive Director/City Manager

SUBJECT: Adoption of a City of Pittsburg Public Financing Authority Resolution Approving the Sale of Water Revenue Bonds and a City of Pittsburg Resolution Authorizing the Execution and Delivery of an Installment Purchase Agreement for the Purpose of Causing Issuance of Revenue Bonds and Certain Documents in Connection Therewith

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

The City of Pittsburg Public Financing Authority (“Authority”) and the City of Pittsburg (“City”) propose to take the necessary steps to issue Water Revenue Bonds (“Bonds”), and execute an Installment Purchase Agreement (“Installment Purchase Agreement”), and certain documents in connection with the issuance of the Bonds to finance the acquisition and construction of certain existing improvements, betterments, renovations and expansions of facilities within its water system (collectively, the “2022 Project”).

FISCAL IMPACT

The sale of the proposed Bonds, also known as Series 2022A, will have an aggregate principal amount not to exceed \$50,000,000. All costs related to the issuance of the Bonds shall be derived from the proceeds.

RECOMMENDATION

The Governing Board of the Authority (“Board”) and the City Council of the City (“City Council”) adopt the Resolutions to: 1) Authorize the preparation, sale and delivery of the Bonds in an aggregate principal amount not to exceed \$50,000,000 to finance the 2022 Project; 2) Approve the form of the Bonds, as set forth in the form of the Indenture, and authorize and direct the Chair and the Secretary to execute the Bonds by manual or facsimile signature in the name and on behalf of the Authority; 3) Approve the Installment Purchase Agreement, and authorize and direct the Chair, Vice Chair or Treasurer of the Authority or the designee, and the Mayor, Vice Mayor, City Manager and Finance Director (each, a “Designated Officer”) to execute and deliver such Installment Purchase Agreement; 4) Approve the Indenture; 5) Approve the Purchase Contract; 6) Approve the preparation and distribution of the Preliminary Official Statement; 7) Determine that the proceeds of the

Bonds shall be deposited as provided in the Indenture and the Installment Purchase Agreement to finance the 2022 Project; 8) Approve the appointment of U.S. Bank Trust Company, National Association, as Trustee under and pursuant to the Indenture; 9) Authorize the Treasurer or her designee and the Finance Director or his designee to: (a) solicit bids on a municipal bond insurance policy and/or reserve surety; (b) negotiate the terms of such policy or policies; (c) finalize, if appropriate, the form of such policy or policies with a municipal bond insurer; and (d) pay the insurance premium of such policy or policies from the proceeds of the issuance and sale of the Bonds if it is determined that the policy or policies will result in net debt service savings on the Bonds; 10) Disclose the good faith estimates of costs related to the Bonds; 11) Determine that, unless otherwise defined herein, all terms that are used herein and not otherwise defined shall have the meanings given to such terms in the Indenture unless the context otherwise clearly requires; 12) Approve the Continuing Disclosure Certificate; 13) Approve the Purchase Contract; and 14) Authorize and direct the Designated Officers or any other proper officer of the City, to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate, bond insurance, a reserve surety and the accompanying Resolution.

BACKGROUND

The Authority is a public entity that is duly organized and existing under the Joint Exercise of Powers Agreement, dated January 1, 1991 (the “JPA Agreement”), by and between the City, by City Resolution 91-7648 and the former Redevelopment Agency of the City of Pittsburg (the “Agency”), by Agency Resolution 91-300, and under the Constitution and laws of the State of California, 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”). The City is a municipal corporation, duly organized and existing under the general laws of the State of California.

On March 7, 2022, NHA Financial Advisors LLC presented to the City Council on the potential issuance of the Bonds to finance water related capital improvement projects.

On March 21, 2022, by City Resolution 22-14068, authorized the City Manager to appoint Stradling Yocca Carlson & Rauth as bond and disclosure counsel, NHA Financial Advisors LLC as municipal advisor, and Piper Sandler & Co. as underwriter (collectively, the “Financing Team”), and negotiate and execute the necessary contracts or agreements to retain such services.

SUBCOMMITTEE FINDINGS

NHA Financial Advisors LLC presented on the water rates discussion and the potential issuance of water revenue bonds to the Finance Subcommittee on January 21, 2022 and February 4, 2022.

STAFF ANALYSIS

The issuance of bonds in the public markets requires the City to provide disclosure to prospective investors. The Preliminary Official Statement is the disclosure document that will be used in connection with the Bonds. The Preliminary Official Statement contains material information about the City, the Water System and the Bonds, and should not omit

any material information. Securities and Exchange Commission pronouncements make clear that, while consultants can assist in the development and preparation of the Preliminary Official Statement, it is ultimately a document for which the City is responsible. The underwriter will use the Preliminary Official Statement to market the bonds to prospective investors.

The City's is currently conducting a water rate study in accordance with the requirements of Proposition 218. The City's most recent rate increases were authorized in 2018 and concluded in 2021. Some key objectives of the current rate study are to provide annual CIP funds for necessary repair and replacement, and to provide funding for the Water Treatment Plant ("WTP") Capital Improvement Project ("CIP").

The water treatment, and conveyance facilities and infrastructure, require repair and replacement in order to meet the current water demands and prepare for the increase in demand as the community grows. City staff expect the repair and replacement costs of the Water System to be approximately \$31 million over the next 6 years. If not addressed, water service to approximately 76,500 residents in Pittsburg may be interrupted. Such an interruption may result in the City seeking to purchase water from other agencies but run the risk of not having sufficient water to provide the community and paying for that water at a higher rate.

Given recent geopolitical events and inflationary pressures, interest rates for tax exempt municipal bonds have experienced volatility and a significant upward trend in interest rates. With future interest rate increases expected from the Federal government, it is expected that the cost of borrowing will continue to increase over the coming months. Additionally, the costs of materials, supplies, and labor have increased markedly over the last 12 months and are expected to continue to increase.

Staff expects to utilize a combination of pay-as-you-go and bond financing to address CIP needs. However, it is recommended that municipal bonds be used to finance the WTP CIP needs for the following reasons: 1) earlier project construction reduces WTP failure risk, 2) earlier construction reduces the risk of project cost increases, and 3) using a tax-exempt municipal bond to finance the cost of the project may reduce the necessary required rate increases. Construction inflation is difficult to predict. However, construction costs trended significantly higher in 2021, at 9.8% increases (highest level in the 20-year lookback). Additionally, tax-exempt municipal bond interest rates are increasing. Since the beginning of 2022, the tax-exempt market's index has increased approximately 0.75% for 5-year debt, 0.60% for 10-year debt, and 0.5% for 30-year debt.

Given these increases in both project construction costs and financing costs, staff recommends approval of the sale of the Bonds, executing the necessary documents, and performing the necessary actions associated with the sale.

ATTACHMENTS: City of Pittsburg Public Financing Authority Resolution
City of Pittsburg Resolution

Report Prepared By: Maria M. Aliotti, Deputy City Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing the Execution)
And Delivery of an Installment Purchase)
Agreement for the Purpose of Causing)
The Issuance of Not to Exceed)
\$50,000,000 Aggregate Principal Amount)
of Water Revenue Bonds, Series 2022A,)
and Approving the Execution and)
Delivery of Certain Documents in)
Connection Therewith and Certain Other)
Matters)

RESOLUTION NO. 22-

WHEREAS, the City Council (the “**City Council**”) of the City of Pittsburg (the “**City**”), a municipal corporation duly organized and existing under the general laws of the State of California (the “**State**”), proposes to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its water system (collectively, the “**2022 Project**”); and

WHEREAS, the City is a member of the City of Pittsburg Public Financing Authority (the “**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; and

WHEREAS, the Authority has agreed to issue its Water Revenue Bonds, Series 2022A (the “**Bonds**”) to assist the City in financing the 2022 Project; and

WHEREAS, the Bonds are to be secured by installment payments to be made by the City pursuant to an Installment Purchase Agreement (the “**Installment Purchase Agreement**”), which installment payments will be payable from net revenues of the City’s water system to the extent set forth in the Installment Purchase Agreement; and

WHEREAS, the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”), will enter into an Indenture of Trust (the “**Indenture**”), to provide for the issuance and security of the Bonds and to provide for the financing of the 2022 Project; and

WHEREAS, the City proposes to execute a Continuing Disclosure Certificate, to be dated the closing date of the Bonds (the “**Continuing Disclosure Certificate**”), in order to provide updates of certain information relating to the City and its water system while the Bonds are outstanding; and

WHEREAS, the City proposes to execute and deliver a bond purchase agreement (the “**Purchase Contract**”) with the Authority and Piper Sandler & Co., as underwriter of the Bonds (the “**Underwriter**”), with respect to the Bonds; and

WHEREAS, in order to effect a public sale of the Bonds to the Underwriter, the City is required under federal securities laws and regulations to prepare a preliminary official

statement (the “**Preliminary Official Statement**”) disclosing material information about the Bonds, the City and the City’s water system; and

WHEREAS, the City considers approval of the Preliminary Official Statement for the Bonds, which has been prepared by the City and the Authority with the assistance of Stradling Yocca Carlson & Rauth, a Professional Corporation, as disclosure counsel (“**Disclosure Counsel**”).

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Pittsburg hereby:

1. Specifically finds and declares that each of the statements, findings and determinations of the City Council 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 financing of the 2022 Project will result in significant public benefits to the citizens of the City of the type that is described in Section 6586 of the Marks-Roos Local Bond Pooling Act of 1985 (the “**Act**”), in that having the Authority assist the City with respect to the financing of the 2022 Project through the issuance of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the City and significant reductions in effective user charges levied by the City; and (b) the 2022 Project includes facilities for the production, storage, transmission or treatment of water within the meaning of Section 6586.5(c) of the Act;
2. Approves the Installment Purchase Agreement in substantially the form on file with the City Clerk and, upon execution as authorized below, made a part hereof as though set forth in full herein. The Mayor, the Vice Mayor, the City Manager and the Finance Director (each, a “**Designated Officer**”) or the designee thereof are hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by the City Attorney or the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation (“**Bond Counsel**”), and approved by the officer executing the same, said execution being conclusive evidence of such approval;
3. Approves the Continuing Disclosure Certificate in substantially the form on file with the City Clerk and, upon execution as authorized below, made a part hereof as though set forth in full herein. Each Designated Officer or the designee thereof is hereby authorized and directed to execute and deliver such Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by the City Attorney or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval;
4. Approves the Purchase Contract in substantially the form on file with the City Clerk and, upon execution as authorized below, made a part hereof as though set forth in full herein. Each Designated Officer or the designee thereof is hereby authorized and directed to execute and deliver such Purchase Contract with such changes, insertions and omissions as may be recommended by the City

Attorney or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the aggregate principal amount of the Bonds exceed \$50,000,000, nor shall the underwriting discount for the Bonds (excluding any net original issue discount) exceed 0.5% of the aggregate principal amount of the Bonds, nor shall the all-in true interest cost of the Bonds exceed 5.00%;

5. Approves the preparation and distribution of the Preliminary Official Statement in substantially the form on file with the City Clerk. Each Designated Officer is hereby authorized: (i) to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “**Rule**”) deeming the Preliminary Official Statement substantially final under the Rule, except for the omission of information as permitted by the Rule; and (ii) to execute, approve and deliver the final Official Statement in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as the officer or officers executing said document may require or approve, subject to advice from the City Attorney or Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is directed to deliver copies of the final Official Statement to all actual initial purchasers of the Bonds;
6. Determines that the proceeds of the Bonds shall be deposited as provided in the Indenture and the Installment Purchase Agreement to finance the 2022 Project;
7. Approves the appointment of U.S. Bank Trust Company, National Association, as Trustee under and pursuant to the Indenture, with the powers and duties of said office as set forth therein;
8. Authorizes the Finance Director or his designee: (i) to solicit bids on a municipal bond insurance policy and/or reserve surety; (ii) to negotiate the terms of such policy or policies; (iii) to finalize, if appropriate, the form of such policy or policies with a municipal bond insurer; and (iv) if it is determined that the policy or policies will result in net savings for the City, to pay the insurance premium of such policy or policies from the proceeds of the issuance and sale of the Bonds;
9. Authorizes and directs the Designated Officers or any other proper officer of the City, acting singly, to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate, bond insurance, a reserve surety and this Resolution, including any reimbursement agreement or other agreement related to bond insurance or a reserve surety. In the event that the Mayor or Vice Mayor of the City are unavailable to sign any of the agreements described herein, any other member of the City Council may sign such agreement and, in the event that the City Clerk is unavailable or unable to attest or to deliver any of the above-referenced documents, any deputy clerk may validly execute and deliver such document;

10. Discloses the good faith estimates of costs related to the Bonds which are required by Section 5852.1 of the California Government Code in Exhibit A hereto and which are available to the public at the meeting at which this Resolution is approved;
11. Determines that, unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture unless the context otherwise clearly requires; and
12. Determines that this Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 2nd day of May, 2022 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Holland Barrett White, Mayor

ATTEST:

Alice E. Evenson, City Clerk

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 City by NHA Advisors (the City's "**Municipal Advisor**") in consultation with Piper Sandler & Co., the Underwriter of the Bonds.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is **\$41,520,000** (the "**Estimated Principal Amount**"), which excludes net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for the bonds is higher than the face value of such bonds.

True Interest Cost of the Bonds. The Municipal Advisor has informed the City 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 **4.25%**.

Finance Charge of the Bonds. The Municipal Advisor has informed the City 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 **\$386,905**.

Amount of Proceeds to be Received. The Municipal Advisor has informed the City 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 City 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 **\$45,800,000**.

Total Payment Amount. The Municipal Advisor has informed the City 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 City 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 **\$90,267,833**.

The foregoing estimates constitute good faith estimates only. 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 City's financing plan, delays in the financing, additional legal work or a combination of such factors and additional finance charges, if any, attributable thereto. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City 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 City.

BEFORE THE GOVERNING BOARD OF THE CITY OF PITTSBURG
PUBLIC FINANCING AUTHORITY

In the Matter of:

Approving the Sale of Water)	
Revenue Bonds, Series 2022A, in an)	
Aggregate Principal Amount of)	RESOLUTION NO. 22-
\$50,000,000 And Approving the)	
Execution and Delivery Of Certain)	
Documents in Connection Therewith and)	
<u>Certain Other Matters</u>)	

WHEREAS, the City of Pittsburg Public Financing Authority (the “**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 and to finance water facilities on behalf of 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**”); and

WHEREAS, the City of Pittsburg (the “**City**”), a municipal corporation that is duly organized and existing under the general laws of the State, and a member of the Authority, proposes to finance the acquisition and construction of certain existing improvements, betterments, renovations and expansions of facilities within its water system (collectively, the “**2022 Project**”); and

WHEREAS, the Board of the Authority (the “**Board**”) has determined that it is beneficial to issue its Water Revenue Bonds, Series 2022A (the “**Bonds**”) in an aggregate principal amount not to exceed \$50,000,000 to assist the City in financing the 2022 Project; and

WHEREAS, the Bonds are to be secured by installment payments to be made by the City pursuant to an Installment Purchase Agreement (the “**Installment Purchase Agreement**”), by and between the City and the Authority, which installment payments will be payable from net revenues of the City’s water system; and

WHEREAS, the Board has determined that it is in the best interest of the Authority to enter into the Installment Purchase Agreement with the City, and to approve certain other documents; and

WHEREAS, the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”), desire to enter into an Indenture of Trust (the “**Indenture**”), to provide for the issuance and security of the Bonds and to provide for the financing of the 2022 Project; and

WHEREAS, pursuant to the Indenture, the Authority will assign to the Trustee the installment payments payable under the Installment Purchase Agreement; and

WHEREAS, the Authority proposes to execute and deliver a bond purchase agreement (the "**Purchase Contract**") with the City and Piper Sandler & Co., as underwriter of the Bonds (the "**Underwriter**"), with respect to the Bonds;

WHEREAS, in order to effect a public sale of the Bonds to the Underwriter, the Authority is required under federal securities laws and regulations to prepare a preliminary official statement (the "**Preliminary Official Statement**") disclosing material information about the Bonds, the City, the 2022 Project and the City's water system; and

WHEREAS, the Authority considers approval of the Preliminary Official Statement for the Bonds, which has been prepared by the City and the Authority with the assistance of Stradling Yocca Carlson & Rauth, a Professional Corporation, as disclosure counsel ("**Disclosure Counsel**").

NOW, THEREFORE BE IT RESOLVED that the Governing Board of the City of Pittsburg Public Financing Authority hereby:

1. Specifically finds and declares that each of the statements, findings and determinations of the Authority 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 financing of the 2022 Project will result in significant public benefits to the citizens of the City of the type that is described in Section 6586 of the Act, in that having the Authority assist the City with respect to the financing of the 2022 Project through the issuance of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the City and significant reductions in effective user charges levied by the City; and (b) the 2022 Project includes facilities for the production, storage, transmission or treatment of water within the meaning of Section 6586.5(c) of the Act;
2. Authorizes the preparation, sale and delivery of the Bonds in accordance with the terms and provisions of the Indenture in an aggregate principal amount (not in excess of \$50,000,000) that is determined by the Treasurer, together with other available funds, as being necessary: (a) to finance the 2022 Project; (b) to pay the costs of issuing the Bonds; and (c) if advisable to reduce the interest rate payable on the Bonds and/or secure a higher credit rating on the Bonds, to establish a reserve fund for the Bonds;
3. Approves the form of the Bonds, as set forth in the form of the Indenture (as the Indenture may be modified pursuant hereto); and the Chair and the Secretary are hereby authorized and directed to execute the Bonds by manual or facsimile signature in the name and on behalf of the Authority;
4. Approves the Installment Purchase Agreement in substantially the form on file with the Secretary and, upon execution as authorized below, made a part hereof as though set forth in full herein. The Chair, the Vice Chair or the Treasurer of the Authority (each, a "**Designated Officer**") or the designee thereof is hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, a

Professional Corporation, as bond counsel (“**Bond Counsel**”) and approved by the officer executing the same, said execution being conclusive evidence of such approval;

5. Approves the Indenture in substantially the form on file with the Secretary and, upon execution as authorized below, made a part hereof as though set forth in full herein. Each Designated Officer or the designee thereof is hereby authorized and directed to execute and deliver such Indenture with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval;
6. Approves the Purchase Contract in substantially the form on file with the Secretary and, upon execution as authorized below, made a part hereof as though set forth in full herein. Each Designated Officer or the designee thereof is hereby authorized and directed to execute and deliver such Purchase Contract with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the aggregate principal amount of the Bonds exceed \$50,000,000, nor shall the underwriting discount for the Bonds (excluding any net original issue discount) exceed 0.5% of the aggregate principal amount of the Bonds, nor shall the all-in true interest cost of the Bonds exceed 5.00%;
7. Approves the preparation and distribution of the Preliminary Official Statement in substantially the form on file with the Secretary. Each Designated Officer is hereby authorized: (i) to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “**Rule**”) deeming the Preliminary Official Statement substantially final under the Rule, except for the omission of information as permitted by the Rule; and (ii) to execute, approve and deliver the final Official Statement substantially in the form of the Preliminary Official Statement with such changes, insertions and omissions as the officer or officers executing said document may require or approve, subject to advice from the General Counsel or Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is directed to deliver copies of the final Official Statement to all actual initial purchasers of the Bonds;
8. Determines that the proceeds of the Bonds shall be deposited as provided in the Indenture and the Installment Purchase Agreement to finance the 2022 Project;
9. Approves the appointment of U.S. Bank Trust Company, National Association, as Trustee under and pursuant to the Indenture, with the powers and duties of said office as set forth therein;
10. Authorizes the Treasurer or his designee: (i) to solicit bids on a municipal bond insurance policy and/or reserve surety; (ii) to negotiate the terms of such policy or policies; (iii) to finalize, if appropriate, the form of such policy or policies with a

municipal bond insurer; and (iv) if it is determined that the policy or policies will result in net debt service savings on the Bonds, to pay the insurance premium of such policy or policies from the proceeds of the issuance and sale of the Bonds;

11. Authorizes and directs the Designated Officers or any other proper officer of the Authority, acting singly, to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Purchase Contract, bond insurance, a reserve surety and this Resolution, including any reimbursement agreement or other agreement related to bond insurance or a reserve surety. In the event that the Chair and Vice Chair of the Board are unavailable to sign any of the agreements described herein, any other member of the Board may sign such agreement;
12. Discloses the good faith estimates of costs related to the Bonds which are required by Section 5852.1 of the California Government Code in Exhibit A hereto and which are available to the public at the meeting at which this Resolution is approved;
13. Determines that, unless otherwise defined herein, all terms that are used herein and not otherwise defined shall have the meanings given to such terms in the Indenture unless the context otherwise clearly requires; and
14. Determines that this Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Governing Board of the City of Pittsburg Public Financing Authority at a regular meeting on the 2nd day of May, 2022 by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Holland Barrett White, Chair

ATTEST:

Alice E. Evenson, 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 NHA Advisors (the Authority's "**Municipal Advisor**") in consultation with Piper Sandler & Co., the Underwriter of the Bonds.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is **\$41,520,000** (the "**Estimated Principal Amount**"), which excludes net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for the bonds is higher than the face value of such bonds.

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 **4.25%**.

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 **\$386,905**.

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 City 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 **\$45,800,000**.

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 City 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 **\$90,267,833**.

The foregoing estimates constitute good faith estimates only. 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 Authority's financing plan, delays in the financing, additional legal work or a combination of such factors and additional finance charges, if any, attributable thereto. 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.

INSTALLMENT PURCHASE AGREEMENT

by and between

CITY OF PITTSBURG

and

CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY

Dated as of May 1, 2022

Relating to

\$ _____
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2022A

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, dated as of May 1, 2022, is entered into by and between the CITY OF PITTSBURG, a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State of California (the “**City**”), and the CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “**Authority**”).

RECITALS

A. The City proposes to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Water System, as described in Exhibit A (collectively, the “**2022 Project**”).

B. The Authority has agreed to assist the City in financing the 2022 Project on the terms and conditions that are set forth herein.

C. The Authority is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq.*, to finance and refinance the acquisition and construction of property for its members.

D. The City is authorized by the laws of the State of California to acquire the 2022 Project.

E. The City and the Authority have duly authorized the execution of this Installment Purchase Agreement.

F. All acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms that are defined in this section shall for all purposes hereof and of any amendment hereof or

supplement hereto and of any report or other document that is mentioned herein or therein have the meanings that are defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms that are defined herein. All capitalized terms that are used herein and not defined herein shall have the meanings that are ascribed thereto in the Indenture.

Accountant's Report. The term "Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Authority. The term "Authority" means the City of Pittsburg Public Financing Authority, a joint exercise of powers agency that is duly organized pursuant to the JPA Agreement and existing under and by virtue of the laws of the State of California.

Bonds. The term "Bonds" means the 2016 Bonds and all other revenue bonds or notes of the City that are authorized, executed, issued and delivered by the City, the payments of which are payable from Net Revenues on a parity with the Series 2022 Installment Payments and which are secured by a pledge of and lien on Revenues as described in Section 5.01 hereof.

City. The term "City" means City of Pittsburg, a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State of California.

City Manager. The term "City Manager" means the City Manager of the City, or any other person that is designated by the City Manager to act on behalf of the City Manager.

Contracts. The term "Contracts" means the 2014 ISA and all other contracts of the City that are authorized and executed by the City, the payments under which are payable from Net Revenues on a parity with the Series 2022 Installment Payments and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof; but excluding contracts entered into for operation and maintenance of the Water System.

Debt Service. The term "Debt Service" means, for any period of calculation, the sum of:

(i) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(ii) those portions of the principal amount of all outstanding serial Bonds maturing in such period, but excluding Excluded Principal;

(iii) those portions of the principal amount of all outstanding term Bonds required to be prepaid or paid in such period, but excluding Excluded Principal; and

(iv) those portions of the Contracts that are required to be paid during such period (except to the extent that the interest that is evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program), but excluding Excluded Principal;

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to be a fixed rate equal to the higher of: (1) the then-current variable interest rate borne by such Bonds or Contract plus 1%; and (2) the highest variable rate borne over the preceding 3 months by outstanding variable rate debt issued by the City or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index that is comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of calculation; and

provided further that, as to any such Bonds or Contracts or portions thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Bonds or Contracts constitute interest rate swap agreements or other paired obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the City with respect to such paired obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and, to the extent that the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of

principal due, in each preceding year, in descending order, until such amount is exhausted.

Event of Default. The term “Event of Default” means an event that is described in Section 8.01.

Excluded Principal. The term “Excluded Principal” means each payment of principal of any Bond or Contract for which there is on file with the Trustee: (1) a certificate of an Independent Financial Consultant to the effect that such Bond or Contract is commercial paper or otherwise of a revolving or short-term nature and has a maturity of less than 42 months; and (2) a certificate of an authorized representative of the City to the effect that the City intends to pay such principal from the proceeds of Bonds or Contracts or other bonds, notes or other obligations of the City. No such determination shall affect the security for such Bonds or Contracts or the obligation of the City to pay such Bonds or Contracts from Net Revenues.

Fiscal Year. The term “Fiscal Year” means the twelve-month period beginning on July 1 of each year and ending on the next succeeding June 30, both dates inclusive, or any other twelve month period hereafter selected and designated as the official fiscal year period of the City.

Indenture. The term “Indenture” means the Indenture of Trust, dated as of the date hereof, by and between the City and the Authority, relating to the 2022 Bonds.

Independent Certified Public Accountant. The term “Independent Certified Public Accountant” means any firm of certified public accountants that is appointed by the City, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Financial Consultant. The term “Independent Financial Consultant” means a financial consultant or firm of such consultants that is appointed by the City, and who, or each of whom: (1) is in fact independent and not under domination of the City; (2) does not have any substantial interest, direct or indirect, with the City; (3) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City; and (4) is registered as a “municipal advisor,” as defined in Section 15B of the Securities Exchange Act of 1934, as amended.

Installment Purchase Agreement. The term “Installment Purchase Agreement” means this Installment Purchase Agreement, dated as of _____ 1, 2022, by and between the City and the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

JPA Agreement. The term “JPA Agreement” means the Joint Exercise of Powers Agreement, dated January 1, 1991, by and between the City and the Successor Agency to the Redevelopment Agency of the City of Pittsburg, pursuant to which the Authority is established.

Maximum Annual Debt Service. The term “Maximum Annual Debt Service” means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Fiscal Year.

Net Proceeds. The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys’ fees) incurred in the collection of such proceeds.

Net Revenues. The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year. When held by the Trustee in any funds or accounts established hereunder, Net Revenues shall include all interest or gain derived from the investment of amounts in any of such funds or accounts.

Operation and Maintenance Costs. The term “Operation and Maintenance Costs” means: (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with generally accepted accounting principles applicable to governmental agencies, including, but not limited to, the reasonable expenses of management and repair and other expenses that are necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the City that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the City or charges (other than debt service payments) required to be paid by it to comply with the terms of the 2022 Bonds or of this Installment Purchase Agreement or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (2) all payments under any contract for the purchase of water; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

Purchase Price. The term “Purchase Price” means the principal amount plus interest thereon owed by the City to the Authority under the terms hereof as provided in Section 4.01.

Rate Stabilization Fund. The term “Rate Stabilization Fund” means the fund by that name held by the City and established pursuant to Section 5.05.

Revenue Fund. The term “Revenue Fund” means the Water Utility Fund of the City, together with other accounts that may be created in the future and designated by action of the City Council of the City as a part of the fund called “Revenue Fund” that has been established pursuant to Section 5.02.

Revenues. The term “Revenues” means all income, rents, rates, fees, charges and other moneys derived from the ownership of or operation of the Water System,

including, without limiting the generality of the foregoing: (1) all in lieu charges (including investment earnings thereon) collected by or on behalf of the City; (2) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the City from the sale, furnishing and supplying of the water, recycled water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System; (3) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, proceeds or other moneys, including City reserves; and (4) deposits to the Revenue Fund from amounts on deposit in the Rate Stabilization Fund in accordance with Section 5.05; but excluding in all cases: (w) any Revenues transferred from the Revenue Fund to the Rate Stabilization Fund in accordance with Section 5.02(c); (x) all amounts reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program), to the extent that such amounts have been or will be deducted from the calculation of Debt Service; (y) customers' deposits or any other deposits or advances that are subject to refund until such deposits or advances have become the property of the City; and (z) proceeds of taxes or benefit assessments restricted by law to be used by the City to pay amounts due on bonds or other obligations hereafter incurred.

Series 2022 Installment Payment Date. The term "Series 2022 Installment Payment Date" means the twenty-fifth day of January and July of each year commencing on ____ 25, 202__.

Series 2022 Installment Payments. The term "Series 2022 Installment Payments" means the Installment Payments scheduled to be paid by the City under and pursuant to the Installment Purchase Agreement.

Trustee. The term "Trustee" means U.S. Bank Trust Company, National Association, acting in its capacity as Trustee under and pursuant to the Indenture, and its successors and assigns.

2014 ISA. The term "2014 ISA" means the Installment Sale Agreement, dated as of November 17, 2014, by and between the City and the California Infrastructure and Economic Development Bank.

2016 Bonds. The term "2016 Bonds" means, collectively, the City of Pittsburg Refunding Water Revenue Bonds, Series 2016A and Taxable Water Revenue Bonds, Series 2016A-T.

2022 Bonds. The term "2022 Bonds" means the City of Pittsburg Public Financing Authority Water Revenue Bonds, Series 2022A issued pursuant to the Indenture.

2022 Project. The term “2022 Project” means the additions, betterments, extensions and improvements to the City’s Water System facilities, including real property and buildings, if any, which are described as such in Exhibit A.

Water Service. The term “Water Service” means the potable and recycled water distribution service that is made available or provided by the Water System.

Water System. The term “Water System” means the whole and each and every part of the potable water system serving the City, whether owned or operated by the City or another party, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such water system or any part thereof hereafter acquired or constructed.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of the City. The City makes the following representations:

(a) The City is a municipal corporation that is duly organized and existing under and pursuant to the general laws of the State of California.

(b) The City has full legal right, power and authority to enter into this Installment Purchase Agreement, carry out its obligations hereunder and carry out and consummate all other transactions that are contemplated by this Installment Purchase Agreement, and the City has complied with the provisions of the laws of the State of California in all matters relating to such transactions.

(c) By proper action, the City has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

(d) The City will not take or, to the extent within its power, permit any action to be taken which results in the interest that is paid for the installment purchase of the 2022 Project under the terms of this Installment Purchase Agreement being included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

(e) The City has determined that it is necessary and proper for City uses and purposes within the terms of the laws of the State of California that the City finance and acquire the 2022 Project in the manner that is provided for in this Installment Purchase Agreement in order to provide essential services and facilities to persons residing in the City.

Section 2.02. Representations and Warranties of the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers agency that is duly organized under the JPA Agreement and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions that are contemplated by this Installment Purchase Agreement and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Agreement.

(b) The execution and delivery of this Installment Purchase Agreement and the consummation of the transactions that are contemplated herein will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Authority is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority.

(c) The Authority will not take or permit any action to be taken which results in the interest that is paid for the installment purchase of the 2022 Project under the terms of this Installment Purchase Agreement being included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

ARTICLE III

ACQUISITION OF 2022 PROJECT

Section 3.01. Acquisition and Construction of the 2022 Project. The Authority hereby agrees to cause the 2022 Project, and any additions or modifications thereto, to be constructed, acquired or installed by the City as its agent, and the City shall enter into contracts and provide for, as agent of the Authority, the complete acquisition of the 2022 Project. The City hereby agrees that it will cause the construction, acquisition and installation of the 2022 Project to be diligently performed after the deposit of funds with the City pursuant to the Indenture, upon satisfactory completion of design work and compliance with the California Environmental Quality Act and approval by the City Council of the City, unforeseeable delays beyond the reasonable control of the City only excepted. It is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any cost of the 2022 Project and that all such costs and expenses shall be paid by the City, regardless of whether the funds deposited in the Acquisition Fund are sufficient to cover all such costs and expenses.

Section 3.02. Changes to the 2022 Project. The City may substitute other improvements for those listed as components of the 2022 Project in Exhibit A, but only if

the City first files with the Trustee a statement of the City in the form set forth in Exhibit D.

Section 3.03. Purchase and Sale of the 2022 Project. In consideration for the Series 2022 Installment Payments as set forth in Section 4.02, the Authority agrees to sell, and hereby sells, to the City, and the City agrees to purchase, and hereby purchases, from the Authority, the 2022 Project at the purchase price specified in Section 4.01 hereof and otherwise in the manner and in accordance with the provisions of this Installment Purchase Agreement.

Section 3.04. Title. All right, title and interest in each component of the 2022 Project shall vest in the City immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Authority or the City, and the Authority shall, if requested by the City or if necessary to assure such automatic vesting, deliver any and all documents which are required to assure such vesting.

Section 3.05. Acquisition Fund. There has been established with the Trustee a fund known as the "Acquisition Fund." The moneys in the Acquisition Fund shall be held by the Trustee on behalf of the City in trust separate and apart from other funds held by it. The moneys in the Acquisition Fund shall be applied to the payment of the costs of acquisition of the 2022 Project and of expenses incidental thereto. Before any payment is made from the Acquisition Fund, the City Manager shall cause to be filed with the Trustee a Requisition in the form set forth in Exhibit C hereto. Upon receipt of such Requisition, the Trustee shall pay the amount set forth therein.

When the 2022 Project shall have been constructed and acquired in accordance with this Installment Purchase Agreement, a statement of the City stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Trustee by the City Manager. Upon the receipt of such statement, the Trustee will transfer any remaining balance in the Acquisition Fund not needed for Acquisition Fund purposes (but less the amount of any such retention which amount shall be certified by the City Manager) to the Bond Payment Fund.

ARTICLE IV

SERIES 2022 INSTALLMENT PAYMENTS

Section 4.01. Purchase Price.

(a) The Purchase Price to be paid by the City hereunder to the Authority is the sum of the principal amount of the City's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the payments to be made by the City hereunder is set forth in Exhibit B.

(c) The interest to accrue on the unpaid balance of such principal amount is as specified in Section 4.02 and Exhibit B, and shall be paid by the City as and constitute interest paid on the principal amount of the City's obligations hereunder.

Section 4.02. Series 2022 Installment Payments. The City shall, subject to its rights of prepayment provided in Article VII, pay the Authority the Purchase Price in installment payments of interest and principal in the amounts and on the Series 2022 Installment Payment Dates as set forth in Exhibit B.

Each Series 2022 Installment Payment shall be paid to the Authority in lawful money of the United States of America. In the event that the City fails to make any of the payments which are required to be made by it under this section, such payment shall continue as an obligation of the City until such amount shall have been fully paid, and the City agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Series 2022 Installment Payments if paid in accordance with their terms.

The obligation of the City to make the Series 2022 Installment Payments is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the City will not discontinue or suspend any Series 2022 Installment Payment which is required to be made by it under this section when due, whether or not the Water System or any part thereof is operating or operable or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the 2022 Project has been completed, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.01. Pledge of Revenues. The Revenues, other amounts that are on deposit in the Revenue Fund and any other amounts (including proceeds of the sale of the 2022 Bonds) which are held in any fund or account that is established pursuant to the Installment Purchase Agreement (including the Rate Stabilization Fund) are irrevocably pledged to the payment of the Series 2022 Installment Payments. Except for the payment of the Operation and Maintenance Costs, the Revenues shall not be used for any other purpose while any of the Series 2022 Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on Revenues, the Revenue Fund, the Rate Stabilization Fund and the other funds and accounts that are created hereunder for the payment of the Series 2022 Installment

Payments and all other Contracts and Bonds in accordance with the terms hereof and of the Indenture.

Section 5.02. Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the City agrees and covenants that all Revenues shall be received by the City in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund has been created and which fund the City agrees and covenants to maintain and to hold separate and apart from other funds so long as any Contracts or Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the City as provided in this Installment Purchase Agreement.

The City shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts which are reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as they become due and payable. All remaining moneys in the Revenue Fund shall be set aside by the City at the following times in the following respective special funds in the following order of priority, and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section:

(a) Bond Payment Fund. On or before each Series 2022 Installment Payment Date, the City shall, from remaining moneys in the Revenue Fund, transfer to the Trustee for deposit in the Bond Payment Fund an amount that is equal to the interest and principal payable and coming due on the 2022 Bonds on the next succeeding Interest Payment Date. The City shall also, from the moneys in the Revenue Fund, transfer to the applicable trustee for deposit in the applicable payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of the Contract, Bond, resolution or indenture relating thereto.

Any moneys which are on deposit in the Bond Payment Fund on each Series 2022 Installment Payment Date (other than amounts that are required for the payment of past due principal or interest with respect to any 2022 Bonds not presented for payment) shall be credited to the payment of the Series 2022 Installment Payments due and payable on such date. No deposit need be made in the Bond Payment Fund as Series 2022 Installment Payments if the amount in the Bond Payment Fund is at least equal to the amount of the Series 2022 Installment Payment that is due and payable on the next succeeding Series 2022 Installment Payment Date.

(b) Reserve Funds. On or before each Series 2022 Installment Payment Date, the City shall, from remaining moneys in the Revenue Fund, thereafter, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the applicable trustee for deposit to reserve funds or accounts established for Bonds or Contracts an amount that is equal to the amount required to be deposited therein.

(c) Surplus. Moneys on deposit in the Revenue Fund which are not necessary to make any of the payments which are required above may be expended by the City at any time for any purpose permitted by law, including but not limited to transfers to the Rate Stabilization Fund.

Section 5.03. Additional Contracts and Bonds. The City may at any time issue any Bonds or execute any Contract, as the case may be, in accordance herewith; provided that:

(a) The Net Revenues for either the most recent audited Fiscal Year or a consecutive 12 month period within the 18 months preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the City, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of the Debt Service for such Fiscal Year or consecutive 12 month period.

(b) The Net Revenues for either the most recent audited Fiscal Year or a consecutive 12 month period within the 18 months preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year or consecutive 12 month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the City, shall have produced a sum equal to at least one hundred twenty-five percent (125%) of: (i) the Debt Service for such Fiscal Year or consecutive 12 month period; plus (ii) the Debt Service which would have accrued on any then-outstanding Bonds which were issued or any then-outstanding Contracts which were executed since the end of such audited Fiscal Year or consecutive 12 month period, assuming that such Bonds or Contracts had been issued or executed, as applicable, on the first day of such audited Fiscal Year or consecutive 12 month period; plus (iii) the Debt Service which would have accrued on the proposed additional Bonds or the proposed additional Contract, assuming that such proposed additional Bonds or proposed additional Contract had been issued or executed, as applicable, on the first day of such audited Fiscal Year or consecutive 12 month period.

Notwithstanding the foregoing, Bonds issued or Contracts executed to refund outstanding Bonds or to prepay outstanding Contracts may be delivered without satisfying the conditions set forth above if total Debt Service after such Bonds are issued or Contracts executed is not greater than the total Debt Service which would have been payable prior to the issuance of such Bonds or execution of such Contracts.

So long as the 2016 Bonds and the 2014 ISA are outstanding, the City shall also comply with the provisions thereof relating to the issuance or incurrence of additional Bonds or Contracts.

Section 5.04. Investments. All moneys which are held by the City in the Revenue Fund, the Rate Stabilization Fund and the Acquisition Fund shall be invested in Permitted Investments, and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

Section 5.05. Rate Stabilization Fund. There is hereby established with the City a fund to be known as the "Rate Stabilization Fund." The City hereby agrees and covenants to maintain, so long as any 2022 Bonds remain outstanding, the Rate Stabilization Fund. There is \$[0] on deposit in the Rate Stabilization Fund as of the date of the initial issuance of the 2022 Bonds. The City may withdraw and deposit amounts therein from time to time in its sole discretion.

Amounts in the Rate Stabilization Fund shall be disbursed, allocated and applied by the City solely to the uses and purposes hereinafter described in this Installment Purchase Agreement, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the City.

The Rate Stabilization Fund and all amounts on deposit therein are hereby irrevocably pledged to the payment of the Bonds and Contracts as provided herein; provided that amounts on deposit in the Rate Stabilization Fund may be apportioned for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on amounts on deposit in the Rate Stabilization Fund for the payment of Contracts and Bonds in accordance with the terms hereof.

The City may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund from time to time and may transfer such amounts to the Revenue Fund for application in accordance with Section 5.02 hereof. Amounts transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to this Section during or within 270 days after the end of a Fiscal Year may be taken into account as Revenues for purposes of the calculations in Sections 5.03 and 6.14 in such Fiscal Year to the extent provided in the definition of "Revenues" in Section 1.01.

ARTICLE VI

COVENANTS OF THE CITY

Section 6.01. Compliance with Installment Purchase Agreement and Ancillary Agreements. The City will punctually pay the Series 2022 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all of the agreements, conditions, covenants and terms contained herein which are required to be observed and performed by it, and will not terminate the Installment Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or

damage to the 2022 Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term which is contained herein and required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion or acts or regulations of governmental authorities.

The City will faithfully observe and perform all of the agreements, conditions, covenants and terms which are required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

Section 6.02. Against Encumbrances. The City will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund or the Rate Stabilization Fund except as provided herein. In addition, the City may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein (as provided in Section 5.02), provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.03. Against Sale or Other Disposition of Property. The City will not sell, lease, transfer, encumber or otherwise dispose of the Water System or any material portion thereof or enter into any agreement or lease which impairs the operation of the Water System or any part thereof which is necessary to secure adequate Revenues for the payment of the Series 2022 Installment Payments, or which would otherwise impair the rights of the Authority hereunder or the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the City to pay the Series 2022 Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the City to sell any portion of the Water System if such portion is immediately repurchased by the City and if such arrangement cannot by its terms result in the purchaser of such portion of the Water System exercising any remedy which would deprive the City of or otherwise interfere with its right to own and operate such portion of the Water System.

Section 6.04. Against Competitive Facilities. The City will not, to the extent permitted by law, acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to

acquire, construct, maintain or operate within the City any water system competitive with the Water System.

Section 6.05. Tax Covenants. Notwithstanding any other provision of the Installment Purchase Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the 2022 Bonds will not be adversely affected for federal income tax purposes, the City covenants to comply with all applicable requirements of the Code which are necessary to preserve such exclusion from gross income with respect to the 2022 Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The City will take no action and refrain from taking any action, and the City will make no use of the proceeds of the 2022 Bonds or of any other moneys or property, which would cause the 2022 Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The City will make no use of the proceeds of the 2022 Bonds or of any other amounts or property, regardless of the source, and the City will not take any action or refrain from taking any action, which will cause the 2022 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The City will make no use of the proceeds of the 2022 Bonds, and the City will not take or omit to take any action, that would cause the 2022 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The City will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the 2022 Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The City will make no use of the proceeds of the 2022 Bonds or any other amounts or property, regardless of the source, and the City will not take any action and refrain from taking any action, that would cause the 2022 Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the City takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2022 Bonds for federal income tax purposes; and

(f) Miscellaneous. The City will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the City in connection with the issuance of the 2022 Bonds and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

This section and the covenants that are set forth herein shall not be applicable to, and nothing that is contained herein shall be deemed to prevent the City from causing the Authority to issue revenue bonds or issuing bonds or executing and delivering

contracts that are payable on a parity with the 2022 Bonds, the interest with respect to which has been determined to be subject to federal income taxation.

Section 6.06. [Reserved].

Section 6.07. Maintenance and Operation of the Water System. The City will maintain and preserve the Water System in good repair and working order at all times, operate the Water System in an efficient and economical manner and pay all Operation and Maintenance Costs as they become due and payable.

Section 6.08. Payment of Claims. The City will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or under the Indenture or on any funds in the hands of the City which are pledged to pay the Series 2022 Installment Payments or the Bonds, or which might impair the security of the Series 2022 Installment Payments.

Section 6.09. Compliance with Contracts. The City will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, which are required to be performed by it contained in all contracts for the use of the Water System and all other contracts affecting or involving the Water System, to the extent that the City is a party thereto.

Section 6.10. Insurance.

(a) The City will procure and maintain or cause to be procured and maintained insurance on the Water System, excluding coverage for earthquake damage or destruction, with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with facilities that are similar to the Water System, so long as such insurance is available at reasonable rates.

In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System. The City shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens. The City covenants to reconstruct, repair or replace the damaged or destroyed portions of the Water System promptly if a failure to reconstruct, repair or replace such portions would impair or adversely affect the ability of the City to pay the Series 2022 Installment Payments.

(b) The City will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Authority, which insurance shall afford protection in such amounts and against such risks as are

usually covered in connection with municipal water systems similar to the Water System.

(c) Any insurance that is required to be maintained by paragraph (a) above and, if the City determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with water systems similar to the Water System, and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance which are required to be maintained herein shall provide that the Authority or its assignee shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Annually on or before September 1 in each year, the Authority shall provide the Trustee with a Certificate stating that the City is in full compliance with the provisions of this section. The Trustee is entitled to rely on any such Certificate as to the City's compliance with these provisions, and the Trustee has no further duties in that regard.

Section 6.11. Accounting Records; Financial Statements and Other Reports.

(a) The City will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

(b) The City will prepare and file with the Authority or its assignee, annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2022) financial statements of the City for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon. The Trustee shall have no obligation to review any such financial statements.

Section 6.12. Protection of Security and Rights of the Authority. The City will preserve and protect the security hereof and the rights of the Authority to the Series 2022 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.13. Payment of Taxes and Compliance with Governmental Regulations. The City will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System or any part thereof, or upon the Revenues when the same shall become due. The City will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System, or any part thereof, but the City shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.14. Amount of Rates and Charges.

(a) The City shall, to the fullest extent permitted by law, fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service which are reasonably expected, at the commencement of each Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Revenues equal to one hundred twenty-five percent (125%) of the Debt Service in such Fiscal Year. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this section.

(b) So long as the City has complied with its obligations set forth in subsection (a) above, the failure of Net Revenues to meet the thresholds set forth in subsection (a) above shall not constitute a default or an Event of Default hereunder or under the Indenture.

(c) So long as the 2016 Bonds and the 2014 ISA are outstanding, the City shall also comply with the provisions thereof relating to the setting of rates and charges.

Section 6.15. Collection of Rates and Charges. The City will have in effect at all times bylaws, rules and regulations requiring each customer to pay the rates and charges applicable to the Water Service to such customer's land and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the City may discontinue such service from the Water System, and such service shall not thereafter be recommenced except in accordance with City bylaws or rules, regulations and the laws of the State of California governing such situations of delinquency.

Section 6.16. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied either to additions, betterments, extensions or improvements to the Water System or, if the City elects not to apply such Net Proceeds to such capital items or if such Net Proceeds are not fully expended for such purposes, such Net Proceeds which are not required by the City for such purposes will be deposited in the Revenue Fund.

Section 6.17. Further Assurances. The City will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Authority of the rights and benefits provided to it herein.

Section 6.18. Enforcement of Contracts. So long as any of the 2022 Bonds are outstanding, the City will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into if such rescission or amendment

would in any manner impair or adversely affect the ability of the City to pay principal of and interest on the 2022 Bonds.

Section 6.19. Continued Existence of Authority. The City and the Authority will take or cause to be taken all actions reasonably necessary to continue the Authority's existence until such time as the 2022 Bonds are no longer Outstanding under the Indenture, including but not limited to the addition of one or more new members to the Authority and execution of the JPA Agreement pursuant to which the Authority was created by such new members.

ARTICLE VII

PREPAYMENT OF SERIES 2022 INSTALLMENT PAYMENTS

Section 7.01. Prepayment.

(a) The City may prepay the Series 2022 Installment Payments as a whole, or in part, on the Business Day prior to ____ 1, 20__ or any date thereafter in the order of payment date as directed by the City, at a prepayment price equal to the principal amount of the Series 2022 Installment Payments to be prepaid, together with accrued interest thereon to the date of prepayment, without premium.

(b) Notwithstanding any such prepayment, the City shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Authority).

Section 7.02. Method of Prepayment. Before making any prepayment pursuant to Section 7.01, the City shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than sixty (60) (or such shorter number of days as is acceptable to the Trustee) days from the date that such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

Section 8.01. Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen:

(a) if default shall be made by the City in the due and punctual payment of any Series 2022 Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(b) if default shall be made by the City in the performance of any of the agreements or covenants which are required herein to be performed by it, and such

default shall have continued for a period of thirty (30) days after the City shall have been given notice in writing of such default by the Authority; provided, however, that if in the reasonable opinion of the City the default stated in the notice can be corrected, but not within such thirty (30) day period, and corrective action is instituted by the City within such thirty (30) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder;

(c) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property; or

(d) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms;

then and in each and every such case during the continuance of an Event of Default, the Authority shall, by notice in writing to the City, declare the entire principal amount of the unpaid Series 2022 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding.

This section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2022 Installment Payments and the accrued interest thereon shall have been so declared due and payable, but before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Authority an amount that is sufficient to pay the unpaid principal amount of the Series 2022 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (a) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Series 2022 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid Series 2022 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Authority or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the City, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.01, all Revenues thereafter received by the City shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Trustee and its assigns and thereafter to the Authority, as the case may be, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel;

Second, to the payment of the Operation and Maintenance Costs; and

Third, to the payment, on a pro rata basis, of the entire principal amount of the unpaid Series 2022 Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Series 2022 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms.

Section 8.03. Other Remedies of the Authority. The Authority shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City or any director, officer or employee thereof, and to compel the City or any such director, officer or employee to perform and carry out its or his or her duties under the laws of the State of California and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority; or

(c) by suit in equity upon the happening of an Event of Default to require the City and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, the Authority shall have no security interest in or mortgage on the 2022 Project, the Water System or other assets of the City and no default hereunder shall result in the loss of the 2022 Project, the Water System or other assets of the City.

Section 8.04. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the Series 2022 Installment Payments to the Authority at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund, the Rate Stabilization Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Authority, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Authority shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy that is conferred upon the Authority by the laws of the State of California or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Authority, the City and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.05. Remedies Not Exclusive. No remedy that is conferred upon or reserved to the Authority herein is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the laws of the State of California or any other law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.01. Discharge of Obligations. When:

(a) all or any portion of the Series 2022 Installment Payments shall have become due and payable in accordance herewith or a written notice of the City to prepay all or any portion of the Series 2022 Installment Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Series 2022 Installment Payment Date or dates specified for prepayment, in trust for the benefit of the Authority or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2022 Installment Payments, sufficient moneys or a combination of sufficient cash and non-callable Permitted Investments that are described in clause (A) of the definition thereof, the principal of and interest on which Permitted Investments when due will provide (together with any cash) money that is sufficient in the opinion of an Independent Certified Public Accountant to pay all principal, prepayment premium, if any, and interest of such Series 2022 Installment Payments to their respective Series 2022 Installment Payment Dates, as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee, then and in that event, the right, title and interest of the Authority herein and

the obligations of the City hereunder shall, with respect to all or such portion of the Series 2022 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Trustee and the obligation of the City to have such moneys and such Permitted Investments applied to the payment of such Series 2022 Installment Payments).

In such event, upon request of the City, the Trustee shall cause an accounting for such period or periods as may be requested by the City to be prepared and filed with the City and shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Trustee shall pay over to the City, after payment of all amounts due the Trustee pursuant to the Indenture, as an overpayment of Series 2022 Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto, other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Series 2022 Installment Payments, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of the Series 2022 Installment Payments and shall be applied by the Trustee to the payment of the Series 2022 Installment Payments of the City.

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability Limited. Notwithstanding anything contained herein, the City shall not be required to advance any moneys derived from any source of income other than the Revenues, the Revenue Fund, the Rate Stabilization Fund and the other funds provided herein for the payment of amounts due hereunder or for the performance of any agreements or covenants that are required to be performed by it contained herein. The City may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the City for such purpose.

The obligation of the City to make the Series 2022 Installment Payments is a special obligation of the City payable from the Net Revenues and does not constitute a debt of the City or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Section 10.02. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the City and the Authority any right, remedy or claim under or pursuant hereto, and any agreement or covenant that is required herein to be performed by or on behalf of the City or the Authority shall be for the sole and exclusive benefit of the other party. BAM is recognized as and shall be deemed to be a third party beneficiary hereof and may enforce the provisions hereof as if it were a party hereto.

Section 10.03. Successor Is Deemed Included in all References to Predecessor. Whenever either the City or the Authority is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the City or the Authority, and all agreements and covenants which are required hereby to be performed by or on behalf of the City or the Authority shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04. Waiver of Personal Liability. No member, officer or employee of the City shall be individually or personally liable for the payment of the Series 2022 Installment Payments, but nothing contained herein shall relieve any member, officer or employee of the City from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Authority shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The City and the Authority hereby declare that they would have executed the Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.07. Assignment. The Installment Purchase Agreement and any rights hereunder may be assigned by the Authority, as a whole or in part, without the necessity of obtaining the prior consent of the City. In addition to the rights and remedies assigned by the Authority to the Trustee, to the extent that the Indenture and the Installment Purchase Agreement confer upon or give or grant to the Trustee any right, remedy or claim under or by reason of the Indenture or the Installment Purchase Agreement, the Trustee is hereby explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred given or granted.

Section 10.08. Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the City shall pay absolutely net during

the term hereof the Series 2022 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.09. California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the City: City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565
Attention: City Manager

If to the Authority: City of Pittsburg Public Financing Authority
65 Civic Avenue
Pittsburg, California 94565
Attention: Treasurer

If to the Trustee: U.S. Bank Trust Company, National Association
1 California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust
Reference: Pittsburg 2022 Water Revenue Bonds

Section 10.11. Effective Date. The Installment Purchase Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Authority).

Section 10.12. Execution in Counterparts. The Installment Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13. Indemnification of Authority. The City hereby agrees to indemnify and hold harmless the Authority and its assigns and its officers and directors if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Indenture; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Indenture by the Authority.

Section 10.14. Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Authority and the City and of the Owners of the 2022 Bonds and of the Trustee may be modified or amended at any time by an amendment hereto which shall become binding upon the prior written consents of the Owners of a majority in aggregate principal amount of the 2022 Bonds then Outstanding, exclusive of 2022 Bonds disqualified as provided in Section 11.09 of the Indenture. No such modification or amendment may: (1) extend the fixed maturity of any 2022 Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each 2022 Bond so affected; or (2) reduce the aforesaid percentage of 2022 Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Installment Purchase Agreement prior to or on a parity with the lien created by the Installment Purchase Agreement except as permitted herein, or deprive the Owners of the 2022 Bonds of the lien created by the Indenture on such Revenues and other assets except as permitted herein, without the consent of the Owners of all of the 2022 Bonds then Outstanding.

(b) This Installment Purchase Agreement and the rights and obligations of the Authority and the City and of the Owners of the 2022 Bonds may also be modified or amended at any time by an amendment hereto which shall become binding upon adoption, without the consent of the Owners of any 2022 Bonds, but only to the extent permitted by law and only for any one or more of the following purposes: (1) to add to the covenants and agreements of the City contained in the Installment Purchase Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2022 Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the City; (2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Installment Purchase Agreement, or in regard to matters or questions arising under the Installment Purchase Agreement, as the City may deem necessary or desirable; and (3) to modify, amend or supplement the Installment Purchase Agreement in such manner as to cause interest on the 2022 Bonds to remain excludable from gross income under the Code. No amendment without consent of the Owners may modify any of the rights or obligations of the Trustee without the written consent thereto.

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IN WITNESS WHEREOF, the parties hereto have executed and attested this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

CITY OF PITTSBURG

By: _____
Mayor

ATTEST:

City Clerk

CITY OF PITTSBURG PUBLIC FINANCING
AUTHORITY

By: _____
Chair

ATTEST:

Secretary

EXHIBIT A

DESCRIPTION OF THE 2022 PROJECT

As described under the caption “THE WATER SYSTEM—Water Supply,” all of the City’s water supplies are treated prior to delivery to customers. The City’s water treatment facility is called the Pittsburg Water Treatment Plant (the “**WTP**”). See the caption “THE WATER SYSTEM—Pittsburg Water Treatment Plant” for a detailed description of the WTP.

The WTP includes eight dual-media (granular activated carbon) filters, all of which were installed in the 1970s or earlier. The filters are in poor condition, with four requiring replacement and the other four requiring rehabilitation and/or replacement. Because of the configuration of the pipes within the filtration system, the entire filtration system must be taken out of service to replace the filters. The WTP is the City’s sole water treatment facility, so an extended outage of the WTP is not feasible if the Water System is to continue to operate. Accordingly, the City intends to construct two new filters that can function while the existing filters are out of service, and the City may buy up to two million gallons of treated water per day from the City’s wholesale supplier (Contra Costa Water District) if treatment capacity at the WTP is limited while the filter gallery replacement and rehabilitation project is ongoing. Although treated water supplies are more expensive than untreated water, the City does not expect the purchase of treated water to have a significant effect on Water System Net Revenues because Operation and Maintenance Costs (in particular, water treatment costs) would be reduced.

The City intends to incur study, design, engineering, planning and construction costs associated with the filter gallery replacement and rehabilitation beginning in mid-2022 at a total cost of approximately \$46,000,000. The filter gallery replacement and rehabilitation is expected to be completed in or about 2025 and is a high priority project because a water hammer backwash in summer 2021 caused a temporary break in the treatment system and disrupted treated water operations affecting the City.

The foregoing project is referred to herein as the “**2022 Project.**”

EXHIBIT B

PURCHASE PRICE

1. The principal amount of payments to be made by the City hereunder is \$_____.
2. The Series 2022 Installment Payments of principal and interest are payable in the amounts and on the Series 2022 Installment Payment Dates as follows:

Series 2022 Installment Payment Date (Twenty-Fifth Day of Month Prior to)	Amount Attributable to Principal	Amount Attributable to Interest	Total
8/1/2022	\$	\$	\$
2/1/2023			
8/1/2023			
2/1/2024			
8/1/2024			
2/1/2025			
8/1/2025			
2/1/2026			
8/1/2026			
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2/1/2035			
8/1/2035			
2/1/2036			
8/1/2036			
2/1/2037			
8/1/2037			
2/1/2038			

Series 2022 Installment Payment Date (Twenty-Fifth Day of Month Prior to)	Amount Attributable to Principal	Amount Attributable to Interest	Total
8/1/2038			
2/1/2039			
8/1/2039			
2/1/2040			
8/1/2040			
2/1/2041			
8/1/2041			
2/1/2042			
8/1/2042			
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8/1/2048			
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8/1/2049			
2/1/2050			
8/1/2050			
2/1/2051			
8/1/2051			
2/1/2052			
8/1/2052			
TOTAL	\$ _____	\$	\$

EXHIBIT C

FORM OF REQUISITION FROM ACQUISITION FUND

\$ _____
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2022A

REQUISITION NO. __ FOR
DISBURSEMENT FROM ACQUISITION FUND

The undersigned hereby states and certifies to U.S. Bank Trust Company, National Association:

(i) that he/she is the duly appointed, qualified and acting City Manager of the City of Pittsburg, a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State of California (the "City"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.05 of that certain Installment Purchase Agreement, dated as of _____ 1, 2022 (the "Installment Purchase Agreement"), by and between the City and the City of Pittsburg Public Financing Authority, the undersigned hereby requests that U.S. Bank Trust Company, National Association, disburse on the date hereof from the Acquisition Fund established under the Installment Purchase Agreement the amounts set forth on Exhibit A to the payees designated on Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the City and is a proper charge against the Acquisition Fund;

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit A has been received and is final;

(v) that there has not been filed with or served upon the City notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

CITY OF PITTSBURG

By: _____
City Manager

EXHIBIT A
ACQUISITION FUND DISBURSEMENTS

<i>Item Number</i>	<i>Payee Name and Address</i>	<i>Purpose of Obligation</i>	<i>Amount</i>
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EXHIBIT D

FORM OF SUBSTITUTION STATEMENT

U.S. Bank Trust Company, National Association
1 California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust
Reference: Pittsburg 2022 Water Revenue Bonds

The undersigned _____ of the City of Pittsburg (the “**City**”) hereby states pursuant to Section 3.02 of the Installment Purchase Agreement, dated as of _____ 1, 2022 (the “**IPA**”), by and between the City and the City of Pittsburg Public Financing Authority, that each component of the 2022 Project (as such term is defined in the IPA) described in the first column of Exhibit A attached hereto, with an estimated cost set forth in the second column of Exhibit A, will be replaced by the corresponding improvement described in the third column of Exhibit A with an estimated cost set forth in the fourth column of Exhibit A.

Dated: _____, 20__

EXHIBIT A

<i>Components of 2022 Project to be Replaced</i>	<i>Cost of Each Component of 2022 Project to be Replaced</i>	<i>Improvements to be Substituted</i>	<i>Cost of Each Improvement to be Substituted</i>
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INDENTURE OF TRUST

Dated as of May 1, 2022

by and between

**[U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION],
as Trustee**

and

CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY

Relating to

**\$ _____
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2022A**

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INDENTURE OF TRUST

THE INDENTURE OF TRUST is made and entered into and dated as of May 1, 2022, by and between the CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “**Authority**”), and [U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION], a national banking association that is duly organized and existing under the laws of the United States of America, as trustee hereunder (the “**Trustee**”).

RECITALS

A. The Authority has been created pursuant to the JPA Agreement with the powers, among others, to issue bonds and to finance water facilities on behalf of its members.

B. The City of Pittsburg (the “**City**”), a member of the Authority, has determined that it is in the best interest of the public to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Water System (collectively, the “**2022 Project**”), as further described in the Installment Purchase Agreement, with the assistance of the Authority.

C. The Authority is authorized pursuant to State law, including but not limited to, Section 6588(c) of the Government Code of the State of California (the “**Government Code**”) and pursuant to Section 5(b) of the JPA Agreement to incur indebtedness to finance such improvements, and is authorized pursuant to State law, including but not limited to Section 6588(m) of the Government Code, to assign and pledge to the repayment of such indebtedness amounts payable to the Authority by its members.

D. The Authority hereby finds pursuant to Section 6586 of the Government Code that the issuance of the bonds that are authorized under Section 2.01 hereof (the “**Bonds**”) to finance the 2022 Project will have demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs and significant reductions in effective user charges levied by the City.

E. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium, if any, thereon, the Authority has authorized the execution and delivery of the Indenture.

F. The Authority has determined that all acts and proceedings which are required by law and necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute the Indenture a valid and binding agreement for the uses and purposes set forth herein in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all

respects duly authorized.

GRANTING CLAUSES

The Authority, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein and the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under the Indenture, and to secure the performance and observance of all of the covenants and conditions therein and herein set forth, does hereby assign and pledge unto, and grant a security interest in, the following (the “**Trust Estate**”) to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Authority to the Bond Owners hereinafter set forth:

FIRST

All right, title and interest of the Authority in and to the Authority Revenues (as such term is defined herein), including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any Authority Revenues which are payable to or receivable by the Authority under the Constitution of the State, the Government Code and the Indenture and any other applicable laws of this State or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do thereunder, subject to the terms hereof.

SECOND

All moneys and securities held in funds and accounts of the Indenture, except amounts held in the Rebate Fund, and all other rights of every name and nature from time to time herein or hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Authority or by anyone on its behalf, or with its written consent, and to hold and apply the same, subject to the terms hereof.

THIRD

All of the rights, title, and interest of the Authority in the Installment Purchase Agreement, including all rights of the Authority to receive payments thereunder and all rights of the Authority thereunder as may be necessary to enforce compliance with said provisions (including enforcement of payment obligations and rate covenants, if any, contained in the Installment Purchase Agreement) or otherwise to protect the interest of the Owners of the Bonds, subject to the terms hereof, and excepting therefrom any rights to indemnification or to receive notices thereunder.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and

assigns forever for the benefit of the Owners, and such pledge shall constitute a lien on and security interest in such Trust Estate;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and interest and any redemption premium on the Bonds due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as herein provided, the Indenture and the rights hereby granted shall cease, terminate and be void; otherwise the Indenture shall remain in full force and effect.

It is expressly declared that all Bonds which are issued and secured hereunder are to be issued, authenticated and delivered, and all sold property, rights and interests, including, without limitation, the Authority Revenues, hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Authority has agreed and covenanted and does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms that are defined in this Section 1.01 shall, for all purposes of the Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless the context otherwise requires, all capitalized terms that are used herein and not defined have the meanings that are ascribed thereto in the Installment Purchase Agreement.

Acquisition Fund. The term "Acquisition Fund" means the fund by that name established pursuant to Section 3.04.

Authority. The term "Authority" means the City of Pittsburg Public Financing Authority, a public body that is duly organized and existing under the JPA Agreement and the Constitution and laws of the State of California.

Authority Revenues. The term “Authority Revenues” means: (a) all Series 2022 Installment Payments received by the Authority or the Trustee pursuant to or with respect to the Installment Purchase Agreement; and (b) all interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder.

Authorized Representative. The term “Authorized Representative” means with respect to the Authority, its Chair, Vice Chair, Treasurer and Secretary, or any other person designated as an Authorized Representative of the Authority by a Certificate of the Authority signed by its Chair, Vice Chair, Treasurer or Secretary and filed with the Trustee.

Bond Counsel. The term “Bond Counsel” means Stradling, Yocca, Carlson & Rauth, or another firm of nationally recognized attorneys experienced in the issuance of obligations the interest on which is excludable from gross income under Section 103 of the Code.

Bond Payment Fund. The term “Bond Payment Fund” means the fund by that name established pursuant to Section 5.01(c).

Bond Year. The term “Bond Year” has the meaning that is given to such term in the Tax Certificate.

Bonds. The term “Bonds” means the Water Revenue Bonds, Series 2022A issued by the Authority and at any time Outstanding pursuant to the Indenture.

Business Day. The term “Business Day” means: (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which the Office of the Trustee is located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

Certificate; Direction; Request; Requisition. The terms “Certificate,” “Direction,” “Request,” and “Requisition” of the Authority mean a written certificate, direction, request or requisition signed in the name of the Authority by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements that are provided for in Section 1.02.

City. The term “City” means the City of Pittsburg, a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State.

Closing Date. The term “Closing Date” means the date on which the Bonds are delivered to the original purchaser thereof.

Code. The term “Code” means the Internal Revenue Code of 1986, as amended.

Costs of Issuance. The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee and counsel to the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, title insurance premiums, letter of credit fees and bond insurance premiums (if any), fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

Costs of Issuance Fund. The term “Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.03.

Depository; DTC. The terms “Depository” and “DTC” mean The Depository Trust Company, New York, New York, a limited purpose trust company that is organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.

Event of Default. The term “Event of Default” means any of the events that are specified in Section 7.01.

Federal Securities. The term “Federal Securities” means any direct, non-callable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or non-callable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

Fitch. The term “Fitch” means Fitch Ratings, Inc., or any successor thereto.

Government Code. The term “Government Code” means the Government Code of the State.

Indenture. The term “Indenture” means the Indenture of Trust, dated as of _____ 1, 2022, by and between the Authority and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Information Services. The term “Information Services” means the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Authority may specify in a certificate to the Authority and the Trustee as the Trustee may select.

Installment Purchase Agreement. The term “Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of the date hereof, by and between the Authority and the City, as amended from time to time.

Interest Account. The term “Interest Account” means the account by that name in the Bond Payment Fund established pursuant to Section 5.01.

Interest Payment Date. The term “Interest Payment Date” means _____ 1, 20__ and each February 1 and August 1 thereafter.

Investment Agreement. The term “Investment Agreement” means an investment agreement by a provider, supported by appropriate opinions of counsel, provided that any such Investment Agreement shall: (i) be from a provider rated by S&P or Moody’s at “A-” or “A3”, respectively, or above; (ii) require the Authority or the City to terminate such agreement and immediately reinvest the proceeds thereof in other Permitted Investments if the rating assigned to the provider by S&P or Moody’s falls to “BBB” or “Baa2”, respectively, or below; and (iii) expressly permit the withdrawal, without penalty, of any amounts necessary at any time to fund any deficiencies on account of debt service requirements with respect to the Bonds, together with such amendments as may be approved by the Authority and the Trustee from time to time.

Letter of Representations. The term “Letter of Representations” means the letter of the Authority delivered to and accepted by the Depository on or prior to delivery of the Bonds as book-entry bonds setting forth the basis on which the Depository serves as depository for such book-entry bonds, as originally executed or as it may be supplemented or revised or replaced by a letter from the Authority delivered to and accepted by the Depository.

Moody’s. The term “Moody’s” means Moody’s Investors Service, Inc. or any successor thereto.

Nominee. The term “Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.08 hereof.

Office. The term “Office” means with respect to the Trustee, the principal corporate trust office of the Trustee at [1 California Street, Suite 1000, San Francisco, California 94111, Attention: Global Corporate Trust, Reference: Pittsburg 2022 Water Bonds], or at such other or additional offices as may be specified in writing by the Trustee to the Authority, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

Outstanding. The term “Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.10; and (iii) Bonds for the transfer or exchange of or in

lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

Owner; Bond Owner. The terms “Owner” or “Bond Owner,” whenever used herein with respect to a Bond, mean the person in whose name the ownership of such Bond is registered on the Registration Books.

Participants. The term “Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

Permitted Investments. The term “Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any written Request from the Authority as conclusive certification that the investments described therein are so authorized under the laws of the State):

(A) for all purposes, including: (i) as defeasance investments in refunding escrow accounts; and (ii) for the purpose of investing (and receiving premium credit for) accrued and capitalized interest: (1) cash; or (2) Federal Securities; and

(B) for all purposes other than: (i) defeasance investments in refunding escrow accounts; and (ii) investing (and receiving credit for) accrued and capitalized interest: (1) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including the Export-Import Bank; Farmers Home Administration; General Services Administration; U.S. Maritime Administration; Small Business Administration; Government National Mortgage Association (GNMA); U.S. Department of Housing & Urban Development (PHAs); and Federal Housing Administration; (2) bonds, notes or other evidences of indebtedness rated “AAA” and “Aaa” by the applicable Rating Agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years; (3) U.S. dollar denominated deposit accounts, demand deposits, including interest bearing money market accounts, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, federal funds and banker’s acceptances with domestic commercial banks, which may include the Trustee and its affiliates, which: (I) have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s; or (II) deposits insured by the Federal Deposit Insurance Corporation maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank); (4) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P and “P-1” by Moody’s and which matures not more than 270 days after the date of purchase; (5) investments in a money market fund rated “AAAm,” “AAAm-G,” “AAm” or “AAm-G” or better by S&P, including funds for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise; (6) pre-refunded municipal obligations defined as follows: any bonds or other obligations

of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on the escrow, in the highest rating category of S&P and Moody's, or any successor thereto; (7) any Investment Agreement; (8) the Local Agency Investment Fund of the State of California; and (9) any other investment permitted by law.

Principal Account. The term "Principal Account" means the account by that name in the Bond Payment Fund established pursuant to Section 5.01.

Rating Agencies. The term "Rating Agencies" means S&P, Moody's and Fitch.

Rebate Fund. The term "Rebate Fund" means the fund by that name established pursuant to Section 5.07.

Record Date. The term "Record Date" means, with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day.

Redemption Date. The term "Redemption Date" means the date fixed for an optional redemption prior to maturity of the Bonds.

Redemption Fund. The term "Redemption Fund" means the fund by that name established pursuant to Section 5.05.

Redemption Price. The term "Redemption Price" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the interest accrued to the applicable Redemption Date and the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the Indenture.

Registration Books. The term "Registration Books" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05.

Responsible Officer of the Trustee. The term "Responsible Officer of the Trustee" means any officer within the corporate trust division (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of the Indenture.

S&P. The term "S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor thereto.

Securities Depositories. The term "Securities Depositories" means The Depository Trust Company; and, in accordance with then current guidelines of the

Securities and Exchange Commission, such other securities depositories as the Authority may designate in a Request of the Authority delivered to the Trustee.

State. The term “State” means the State of California.

Supplemental Indenture. The term “Supplemental Indenture” means any indenture that is hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificate. The term “Tax Certificate” means the Tax Certificate dated the Closing Date, concerning certain matters pertaining to the use and investment of proceeds of the Bonds issued by the Authority on the date of issuance of the Bonds, including any and all exhibits attached thereto.

Trustee. The term “Trustee” means [U.S. Bank Trust Company, National Association], a national banking association duly organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion that is provided for in the Indenture, except the certificate of destruction that is provided for in Section 11.05 hereof, with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person he or she has made or caused to be made such examination or investigation as is necessary to enable such person to express an informed opinion with respect to the subject matter referred to in the instrument to which such person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion that is made or given by an officer of the Authority may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an Independent Certified Public Accountant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an Independent Certified Public Accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon a certificate or opinion of or representation by an officer of the Authority, unless such counsel or Independent Certified Public Accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person’s certificate or opinion or representation may be based, as aforesaid,

is erroneous. The same officer of the Authority, or the same counsel or Independent Certified Public Accountant, as the case may be, need not certify to all of the matters that are required to be certified under any provision of the Indenture, but different officers, counsel or Independent Certified Public Accountants may certify to different matters, respectively.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa, and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds.

(a) The Authority hereby authorizes the issuance hereunder from time to time of the Bonds, which shall constitute special obligations of the Authority, for the purpose of financing the 2022 Project. The Bonds are hereby designated the “City of Pittsburg Public Financing Authority Water Revenue Bonds, Series 2022A” in the aggregate principal amount of \$_____.

(b) The Indenture constitutes a continuing agreement with the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on all the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

The Bonds shall mature on August 1 in each of the years and in the amounts set forth below and shall bear interest on each Interest Payment Date at the rates set forth below:

<i>Maturity (August 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
	\$	%

(T) Term Bond.

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee sent by first class mail on the applicable Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books (except that in the case of an Owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Owner prior to the Record Date). Principal of and premium (if any) on any Bond shall be paid by check of the Trustee upon presentation and surrender thereof at maturity or upon the prior redemption thereof, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall be dated the date of initial delivery, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) unless

it is authenticated on or before _____ 15, 20__, in which event it shall bear interest from the date of initial delivery; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Section 2.03. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond at the Office of the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee shall not be required to register the transfer of any Bond during the period in which the Trustee is selecting Bonds for redemption and any Bond that has been selected for redemption.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of authorized denomination or denominations for a like series and aggregate principal amount of the same maturity and series. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge that is required to be paid with respect to such transfer. Following any transfer of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.04. Exchange of Bonds. Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee shall not be required to exchange any Bond during the period in which the Trustee is selecting Bonds for redemption and any Bond that has been selected for redemption. The Trustee shall require the Bond Owner requesting such exchange to pay any tax or other governmental charge that is required to be paid with respect to such exchange. Following any exchange of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Section 2.05. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, records for the registration and transfer of ownership of the Bonds, which shall upon reasonable notice and at reasonable times be open to inspection during regular business hours by the Authority, the City and the Owners; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

The person in whose name any Bond shall be registered shall be deemed the Owner thereof for all purposes hereof, and payment of or on account of the interest on and principal and Redemption Price of such Bonds shall be made only to or upon the order in writing of such registered Owner, which payments shall be valid and effectual to satisfy and discharge liability upon such Bond to the extent of the sum or sums so paid.

Section 2.06. Form and Execution of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chair, attested by the manual or facsimile signature of its Secretary. The Bonds may carry a seal, and such seal may be in the form of a facsimile of the Authority's seal and may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and any Bonds may be signed and attested on behalf of the Authority by those persons who at the actual date of execution of such Bonds are the proper officers of the Authority although at the nominal date of such Bonds any such person shall not have been such officer of the Authority.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, series and authorized denomination in exchange and substitution for the Bonds so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and upon the written request of the Authority delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, series and authorized denomination in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee in the

premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Indenture with all other Bonds secured by the Indenture. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for a Bond which has been mutilated, lost, destroyed or stolen and which has matured or has been selected for redemption, the Trustee may make payment of such Bond upon receipt of indemnity satisfactory to the Trustee.

Section 2.08. Book-Entry System.

(a) Election of Book-Entry System. Prior to the issuance of the Bonds, the Authority may provide that such Bonds shall be initially issued as book-entry Bonds. If the Authority shall elect to deliver any Bonds in book-entry form, then the Authority shall cause the delivery of a separate single fully registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination corresponding to that total principal amount of the Bonds designated to mature on such date. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Registration Books in the name of the Nominee, as nominee of the Depository, and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 2.08(e).

With respect to book-entry Bonds, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Registration Books, of any notice with respect to book-entry Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be redeemed in the event that the Authority redeems the Bonds in part; or (iv) the payment by the Depository or any Participant or any other person of any amount of principal of, premium, if any, or interest on book-entry Bonds. The Authority and the Trustee may treat and consider the person in whose name each book-entry Bond is registered in the Bond Registration Books as the absolute Owner of such book-entry Bond for the purpose of payment of principal of, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Registration Books, or his or her respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Registration Books,

shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on the Bonds. Upon delivery by the Depository to the Authority and the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in the Indenture shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the Authority shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Registration Books. In addition to the execution and delivery of a Letter of Representations, the Authority and the Trustee, if necessary, shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

(c) Selection of Depository. In the event that: (i) the Depository determines not to continue to act as securities depository for book-entry Bonds; or (ii) the Authority determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the Authority, then the Authority will discontinue the book-entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturity dates of such book-entry Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) hereof. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.03 and 2.04 hereof.

(d) Payments To Depository. Notwithstanding any other provision of the Indenture to the contrary, so long as all Outstanding Bonds are held in book-entry form and registered in the name of the Nominee, all payments of principal of, redemption premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Trustee notwithstanding any inconsistent provisions herein.

(e) Transfer of Bonds to Substitute Depository.

(i) The Bonds shall be initially issued as provided in Section 2.01 hereof. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (B) of subsection (i) of this Section 2.08(e) (a “**Substitute Depository**”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(B) to any Substitute Depository, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the Authority that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) to any person as provided below, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the Authority that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(ii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the Authority to the Trustee designating the Substitute Depository, a single new Bond, which the Authority shall prepare or cause to be prepared, shall be issued for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the Authority. In the case of any transfer pursuant to clause (C) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the Authority to the Trustee, new Bonds, which the Authority shall prepare or cause to be prepared, shall be issued in such denominations and registered in the names of such persons as are requested in such written request of the Authority, subject to the limitations of Section 2.01 hereof, provided that the Trustee shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the Authority.

(iii) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee, all in accordance with the Letter of Representations. The Trustee shall not be liable for such Depository’s failure to make such notations or errors in making such notations and the records of the Trustee as to the outstanding principal amount of such Bonds shall be controlling.

(iv) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary

received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Trustee may rely conclusively on its records as to the identity of the Owners of the Bonds.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the Bonds. At any time after the execution of the Indenture, the Authority may execute and the Trustee shall authenticate and, upon Request of the Authority, deliver the Bonds in the aggregate principal amount of \$_____.

Section 3.02. Application of Proceeds of the Bonds. The proceeds received by the Trustee from the sale of the Bonds in the amount of \$_____ (consisting of the principal amount of the Bonds, less \$_____ of underwriter's discount, plus \$_____ of original issue premium) shall be deposited in trust with the Trustee, who shall apply such proceeds as follows pursuant to the Instructions to the Trustee executed by the Authority on the Closing Date (which Instructions constitute a Direction of the Authority): (i) the Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund; and (ii) the Trustee shall deposit the amount of \$_____ in the Acquisition Fund. The Trustee may establish temporary funds or accounts in its records to facilitate and record the above transfer of proceeds.

Section 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Requisitions of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, that such payment is a proper charge against said fund and that payment for such charge has not previously been made. Each such Requisition of the Authority shall be sufficient evidence to the Trustee of the facts stated therein, and the Trustee shall have no duty to confirm the accuracy of such facts. On the six month anniversary of the Closing Date, or upon the earlier Request of the Authority, all amounts remaining in the Costs of Issuance Fund shall be deposited in the Interest Account and the Costs of Issuance Fund shall be closed.

Section 3.04. Acquisition Fund. There is hereby established with the Trustee the Acquisition Fund, which fund the Trustee shall establish and maintain and hold in trust separate and apart from other funds held by it. The moneys in the Acquisition Fund shall be used and withdrawn by the Trustee as set forth in Section 3.05 of the Installment Purchase Agreement.

Section 3.05. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority, the City or the Trustee with respect to or in connection with the Installment Purchase Agreement. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of the validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption.

(a) The Bonds with stated maturities on or after August 1, 20__ are subject to redemption prior to their respective stated maturities, as a whole or in part as directed by the Authority in a Request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within each maturity in integral multiples of \$5,000, on August 1, 20__ or any date thereafter at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

In the event of an optional redemption, the Authority shall provide the Trustee with a revised sinking fund schedule giving effect to the optional redemptions so completed.

(b) The Bonds with stated maturities on August 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on August 1, 20__ and each August 1 thereafter, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (August 1)	Principal Amount
	\$

*

* Maturity.

If some but not all of the Bonds maturing on August 1, 20__ are redeemed pursuant to subsection (a), the principal amount of the applicable Bonds to be redeemed pursuant to this subsection (b) on any subsequent August 1 will be reduced, by \$5,000 or an integral multiple thereof, as designated by the Authority in a Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of

such reductions shall not exceed the aggregate amount of the applicable Bonds redeemed pursuant to subsection (a).

Section 4.02. Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds for redemption as a whole or in part on any date as directed by the Authority and by lot within each maturity in integral multiples of \$5,000 in accordance with Section 4.01 hereof. The Trustee will promptly notify the Authority in writing of the numbers of the Bonds or portions thereof so selected for redemption.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by first class mail not less than twenty (20) days nor more than sixty (60) days before any Redemption Date, to the respective Owners of any Bonds that are designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services. Each notice of redemption shall state the date of notice, the redemption date, the place or places of redemption and the Redemption Price, and shall designate the maturities, CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds or parts thereof that are designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any Bond. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys that are sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same series, interest rate and maturity.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. The Trustee shall, upon surrender for payment of any of the Bonds to be redeemed on their Redemption Dates, pay such Bonds at the Redemption Price.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

ARTICLE V

REVENUES, FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; Bond Payment Fund.

(a) All of the Authority Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account that is established pursuant to the Indenture (except the Rebate Fund) are hereby irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the Bonds in accordance with their terms and the provisions of the Indenture. Said pledge shall constitute a lien on and security interest in such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act, and shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice hereof.

(b) The Authority, for good and valuable consideration in hand received, does hereby irrevocably assign and transfer to the Trustee without recourse, for the benefit of the Owners of the Bonds as set forth herein, all of its rights, title, and interest in all Series 2022 Installment Payments payable by the City pursuant to the Installment Purchase Agreement, including all rights of the Authority thereunder as may be necessary to enforce compliance with said provisions (including enforcement of payment obligations and rate covenants, if any, contained in the Installment Purchase Agreement, or otherwise to protect the interest of the Owners of the Bonds). Such assignment shall be subject to and limited by the terms of the Indenture.

(c) There is hereby established with the Trustee the Bond Payment Fund, which the Trustee covenants to maintain and hold in trust separate and apart from other funds held by it so long as any Series 2022 Installment Payments remain unpaid. Except as directed in Sections 5.06 and 5.08, all Authority Revenues shall be

promptly deposited by the Trustee upon receipt thereof into the Bond Payment Fund; except that all moneys received by the Trustee and required hereunder to be deposited in the Redemption Fund shall be promptly deposited therein. All Authority Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee shall also create and maintain an Interest Account and a Principal Account within the Bond Payment Fund.

Section 5.02. Allocation of Authority Revenues. The Trustee shall transfer from the Bond Payment Fund and deposit into the following respective accounts the following amounts in the following order of priority and at the following times, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Authority Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Not later than the Business Day preceding each date on which the interest on the Bonds shall become due and payable hereunder, the Trustee shall deposit in the Interest Account that sum, if any, required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all Bonds then Outstanding.

(b) Not later than the Business Day preceding each date on which the principal of the Bonds shall become due and payable hereunder, the Trustee shall deposit in the Principal Account that sum, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such date or subject to mandatory sinking fund redemption on such date.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or accelerated prior to maturity pursuant to the Indenture).

Section 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at maturity, mandatory sinking fund redemption, purchase or acceleration; provided, however, that at any time prior to selection for redemption of any such Bonds, upon written direction of the Authority, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.05. Application of Redemption Fund. There is hereby established with the Trustee, when needed, a special fund designated as the "Redemption Fund." All amounts in the Redemption Fund shall be used and withdrawn by the Trustee solely for

the purpose of paying the principal of and accrued interest on the Bonds to be redeemed on any Redemption Date pursuant to Section 4.01(a); provided, however, that at any time prior to selection for redemption of any such Bonds, upon written direction of the Authority, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.06. Investments. All moneys in any of the funds or accounts that are established with the Trustee pursuant to the Indenture shall be invested by the Trustee solely in Permitted Investments, which will, as nearly as practicable, mature on or before the dates when such moneys are anticipated to be needed for disbursement. Such investments shall be directed by the Authority pursuant to a Request of the Authority filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the Authority, the Trustee shall invest any such moneys in Permitted Investments that are described in clause (B)(5) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Direction from the Authority specifying a specific money market fund and, if no such Direction from the Authority is so received, the Trustee shall hold such moneys un-invested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder (except for interest or gain derived from the Permitted Investment described in clause (B)(7) of the definition thereof, which shall be retained in such Permitted Investment) shall be deposited in the Interest Account unless otherwise provided in the Indenture. For purposes of acquiring any investments hereunder, the Trustee may commingle funds (other than the Rebate Fund) held by it hereunder upon the Request of the Authority. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.06.

The Authority acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee will furnish the Authority with periodic cash transaction statements which shall include detail for all investment transactions effected by the Trustee hereunder. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture. The Trustee may rely conclusively upon the investment direction of the Authority as to the suitability and legality of the directed investments.

The Authority shall invest, or cause to be invested, all moneys in any fund or accounts established with the Trustee as provided in the Tax Certificate.

In determining the market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

Section 5.07. Rebate Fund.

(a) Establishment. The Trustee shall establish a separate fund designated the “Rebate Fund” when required in accordance herewith. Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Bonds will not be adversely affected, the Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Bonds shall be governed by this Section and the Tax Certificate for the Bonds, unless and to the extent that the Authority delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bonds will not be adversely affected, if such requirements are not satisfied. Notwithstanding anything to the contrary herein or in the Tax Certificate, the Trustee: (i) shall be deemed conclusively to have complied with the provisions thereof if it follows all Requests of the Authority; (ii) shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate; (iii) may rely conclusively on the Authority’s calculations and determinations and certifications relating to rebate matters; and (iv) shall have no responsibility to independently make any calculations or determinations or to review the Authority’s calculations or determinations thereunder.

(i) Annual Computation. Within 55 days of the end of each Bond Year (as such term is defined in the Tax Certificate), the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the “**1½% Penalty**”) has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the “**Rebatable Arbitrage**”). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year, upon the Request of the Authority, an amount shall be deposited to the Rebate Fund by the Trustee from any Authority Revenues legally available for such purpose (as specified by the Authority in the aforesaid Request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon Request of the Authority, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Bond Payment Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by Request of the Authority, to the United States Treasury, out of amounts in the Rebate Fund:

(A) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(B) Not later than 60 days after the payment of all of the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Authority shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T (prepared by the Authority), or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in subsection (a) above being made may be withdrawn by the Authority and utilized in any manner by the Authority.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Bonds.

Section 5.08. Application of Funds and Accounts When No Bonds are Outstanding. On the date on which all Bonds shall be retired hereunder or provision

made therefor pursuant to Article X and after payment of all amounts due the Trustee hereunder, all moneys then on deposit in any of the funds or accounts (other than the Rebate Fund) established with the Trustee pursuant to the Indenture shall be withdrawn by the Trustee and paid to the Authority for distribution in accordance with the Installment Purchase Agreement.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest to become due in respect of all of the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Authority Revenues and other assets pledged for such payment as provided in the Indenture.

Section 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of the Indenture, except subject to the prior payment in full for the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrances upon the Authority Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by the Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the JPA Agreement, and reserves the right to issue other obligations for such purposes.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into the Indenture and to pledge and assign the Authority Revenues and other assets that are pledged and assigned under the Indenture in the manner and to the extent that is provided in the Indenture. The Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Authority Revenues and other assets and all the rights of the Bond Owners under the Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions that are undertaken by it relating to the proceeds of Bonds, the Authority Revenues and all funds and accounts that have been established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the Authority and the City upon reasonable prior notice during business hours and under reasonable circumstances.

Section 6.06. Tax Covenants. Notwithstanding any other provision of the Indenture or the Installment Purchase Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the Bonds will not be adversely affected for federal income tax purposes, the Authority covenants to comply with all applicable requirements of the Code that are necessary to preserve such exclusion from gross income with respect to the Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Authority will take no action and refrain from taking any action, and the Authority will make no use of the proceeds of the Bonds or of any other moneys or property, which would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The Authority will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, and the Authority will not take any action or refrain from taking any action, which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The Authority will make no use of the proceeds of the Bonds, and the Authority will not take or omit to take any action, that would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The Authority will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The Authority will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, and the Authority will not take any action or refrain from taking any action, that would cause the Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Authority takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; and

(f) Miscellaneous. The Authority will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax

Certificate executed by the Authority in connection with the issuance of the Bonds and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

This Section and the covenants that are set forth herein shall not be applicable to, and nothing that is contained herein shall be deemed to prevent the Authority from issuing revenue bonds or executing and delivering contracts that are payable on a parity with the Bonds, the interest with respect to which has been determined to be subject to federal income taxation.

Section 6.07. Payments Under Installment Purchase Agreement. The Authority shall promptly collect all Series 2022 Installment Payments due from the City pursuant to the Installment Purchase Agreement and, subject to the provisions of Article VIII, shall enforce and take all steps, actions and proceedings which the Authority or the Trustee determines to be reasonably necessary for the enforcement of all of the obligations of the City thereunder.

The Authority shall not enter into any amendments to the Installment Purchase Agreement except as permitted therein. The Trustee shall give written consent only if: (a) such amendment, modification or termination will not materially adversely affect the interests of the Bond Owners; or (b) the Trustee first obtains the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment, modification or termination.

Section 6.08. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in the Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.09. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Indenture.

Section 6.10. Eminent Domain. If all or any part of the Water System shall be taken by eminent domain proceedings (or sold to a government entity that is threatening to exercise the power of eminent domain), the Net Proceeds therefrom shall be applied in the manner that is specified in Section 6.16 of the Installment Purchase Agreement.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default by the Authority in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise.

(b) Default by the Authority in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee or by the Owners of not less than a majority in aggregate principal amount of Bonds Outstanding; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such sixty (60) day period, and corrective action is instituted by the Authority within such sixty (60) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder.

(d) The Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

Section 7.02. Remedies Upon Event of Default. If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and, at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, shall, upon notice in writing to the Authority and the City, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding.

Nothing contained in the Indenture shall permit or require the Trustee or the Authority to accelerate payments due under the Installment Purchase Agreement if the City, which is a party to such Installment Purchase Agreement, is not in default of its obligation thereunder.

Any such declaration is subject to the condition that if, at any time after such declaration, but before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority or the City shall deposit with the Trustee

an amount that is sufficient to pay all the principal of and installments of interest on the Bonds the payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds to the extent permitted by law, and the reasonable charges and expenses of the Trustee, and any and all other Events of Default known to the Trustee (other than in the payment of principal of and interest on the Bonds that is due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case the Trustee shall on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or affect any subsequent Event of Default or impair or exhaust any right or power consequent thereon.

Section 7.03. Application of Authority Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Authority Revenues then held or thereafter received by the Trustee and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (other than amounts held in the Rebate Fund) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses that are necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and to the payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture; and

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of the Indenture, in the following order of priority:

First: To the payment to the persons that are entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount that is available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate of eight percent (8%) per annum, and, if the amount that is available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Third: If there shall exist any remainder after the foregoing payments, such remainder shall be paid to the Authority.

Section 7.04. Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds or the Indenture and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds or the Indenture or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Authority Revenues and other assets pledged under the Indenture, pending such proceedings. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

Section 7.05. Bond Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing that are executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conduct in all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners who are not parties to such direction.

Section 7.06. Suit by Owners. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Installment Purchase Agreement, the JPA Agreement or any other applicable law with respect to such Bonds, unless: (a) such Owners shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities

to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction which is inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, the Indenture, the Installment Purchase Agreement, the JPA Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Section 7.07. Absolute Obligation of the Authority. Nothing in this Section or in any other provision of the Indenture or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Authority Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.09. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such

duties as are expressly and specifically set forth in the Indenture, and no implied covenants or duties shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may remove the Trustee upon thirty (30) days prior notice, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee. The Authority shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) No removal, resignation or termination of the Trustee shall become effective until a successor shall be qualified and appointed and shall have accepted its appointment. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee that is appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all of the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property that is subject to the trusts and conditions herein set forth. Upon request of the

successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee that is appointed under the provisions of this Section in succession to the Trustee shall be a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least \$250 million of assets or a state-chartered commercial bank that is a member of the Federal Reserve System and has at least \$1 billion of assets. If such national banking association or bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority that is referred to above, then for the purpose of this subsection, the combined capital and surplus of such national banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any trust company, banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated, any trust company, banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such trust company, banking association or bank shall be eligible under Section 8.01(e), shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Indenture, the Bonds or the Installment Purchase Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law,

may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment that is made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority (or such other percentage provided for herein) in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture.

(e) The Trustee shall not be deemed to have knowledge of any default or Event of Default hereunder or under the Installment Purchase Agreement or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder or under the Installment Purchase Agreement unless and until a Responsible Officer of the Trustee shall have actual knowledge of such event or the Trustee shall have been notified in writing, in accordance with Section 11.07, of such event by the Authority or the Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the City of any of the terms, conditions, covenants or agreements herein, or under the Installment Purchase Agreement, of any of the documents executed in connection with the Bonds or as to the existence of an Event of Default thereunder or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral that is given to or held by it.

(f) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers that are vested in it by the Indenture at the request or direction of Owners pursuant to the Indenture unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power,

right or remedy that is conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(h) Whether or not herein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(i) The Trustee shall have no responsibility or liability with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(j) The immunities that are extended to the Trustee also extend to its directors, officers, employees and agents.

(k) The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosions, mob violence, riots, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the 2022 Project, malicious mischief, condemnation and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(m) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to the Indenture and delivered using Electronic Means (“**Electronic Means**”), which shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee acts upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Authority

understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedure.

(n) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(o) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, notes, direction, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Trustee's Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in

respect thereof is specifically prescribed herein) may be deemed to be conclusively proved and established by a Certificate, Request or Requisition of the Authority, and such Certificate, Request or Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Certificate, Request or Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents that are received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the City and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06. Compensation and Indemnification. The Authority shall pay to the Trustee from time to time reasonable compensation for all services that are rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture.

The Authority shall indemnify, defend and hold harmless the Trustee, its officers, employees, directors and agents from and against any loss, costs, claims, liability or expense (including fees and expenses of its attorneys and advisors) incurred without negligence or bad faith on its part, arising out of or in connection with the execution of the Indenture, acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive removal or resignation of the Trustee hereunder or the discharge of the Bonds and the Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01. Amendments Permitted.

(a) The Indenture and the rights and obligations of the Authority, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the prior written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, exclusive of Bonds that are disqualified as provided in Section 11.09, have been filed with the Trustee. No such modification or amendment may: (1) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected; or (2) reduce the aforesaid percentage

of Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Authority Revenues and other assets pledged under the Indenture prior to or on a parity with the lien that is created by the Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by the Indenture on such Authority Revenues and other assets except as permitted herein, without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to each Rating Agency and the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) The Indenture and the rights and obligations of the Authority, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Outstanding Bonds, including, without limitation, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority may deem necessary or desirable;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereunder in effect, and to add such other terms conditions and provisions as may be permitted by said act or similar federal statute; and

(4) to modify, amend or supplement the Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income under the Code.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture that is authorized by subsections (a) or (b)

of this Section which materially adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of the Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion of interest on the Bonds from federal income taxation and the exclusion of interest on the Bonds from state income taxation.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his or her Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment that is contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Bond Owner.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. The Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

(a) by paying or causing to be paid the principal of and interest and redemption premiums (if any) on the Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all Bonds then Outstanding; or

(c) by delivering to the Trustee, for cancellation by it, all of the Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums that are payable hereunder by the Authority, then and in that case, at the election of the Authority (as evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and the Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Authority Revenues and other assets under the Indenture and all covenants, agreements and other obligations of the Authority under the Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to the Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption to the Authority.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Outstanding Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities that are deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds that were previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held

by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount that is equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest and premium, if any, thereon to the redemption date; or

(b) Federal Securities the principal of and interest on which when due will, in the written opinion of an Independent Certified Public Accountant filed with the Authority and the Trustee, provide money that is sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date (with premium, if any), as the case may be, on the Bonds to be paid or redeemed, as such principal, interest and premium, if any, become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that: (i) the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Request of the Authority) to apply such money to the payment of such principal, interest and premium, if any, with respect to such Bonds; and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel addressed to the Authority and the Trustee to the effect that such Bonds have been discharged in accordance with the Indenture (which opinion may rely upon and assume the accuracy of the Independent Certified Public Accountant's opinion referred to above).

Section 10.04. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys which are held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and which remain unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid (without liability for interest) to the Authority free from the trusts created by the Indenture upon receipt of an indemnification agreement that is acceptable to the Authority and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall at the written direction of the Authority (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the

provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of Authority Limited to Authority Revenues. Notwithstanding anything in the Indenture or the Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Authority Revenues and other moneys pledged under the Indenture for any of the purposes of the Indenture, whether for the payment of the principal of or interest on the Bonds or for any other purpose of the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

The Bonds are not a debt of the members of the Authority, the State or any of its political subdivisions (other than the Authority) and neither the members of the Authority, said State nor any of its political subdivisions (other than the Authority) is liable thereon. The City shall have no liability or obligation herein except with respect to Series 2022 Installment Payments payable under the Installment Purchase Agreement.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all covenants and agreements in the Indenture by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties and Bond Owners. Nothing in the Indenture or in the Bonds, express or implied, is intended or shall be construed to give to any person other than the Authority, the Trustee, the City and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the City and the Owners of the Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in the Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person who is entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in the Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Bonds. Whenever in the Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall destroy such Bonds as may be allowed by law and upon request deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any notice to or demand upon the Authority or the Trustee shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or by being deposited, first class mail, postage prepaid, in a post office box, to the Authority at 65 Civic Avenue, Pittsburg, California 94565, Attention: Treasurer (or such other address as may have been filed in writing by the Authority with the Trustee), or to the Trustee at its Office by first class mail. Notwithstanding the foregoing provisions of this Section 11.07, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

Section 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument that is required or permitted by the Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The Ownership of Bonds shall be proved by the Registration Books. Any request, consent, or other instrument or writing of the Owner of any Bond shall bind

every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the Authority, or by any other obligor on the Bonds, or by any person that is directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person that is directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the Authority shall certify to the Trustee those Bonds that are disqualified pursuant to this Section 11.09 and the Trustee may conclusively rely on such certificate.

Section 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof, but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account that is required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 11.12. Waiver of Personal Liability. No member, officer, agent, employee, consultant or attorney of the Authority or the City shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent, employee, consultant or attorney from the performance of any official duty provided by law or by the Indenture.

Section 11.13. Execution in Several Counterparts. The Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14. CUSIP Numbers. Neither the Trustee nor the Authority shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the Authority nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 11.15. Choice of Law. THE INDENTURE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.16. Notice to Rating Agencies. The Trustee shall provide any rating agency rating the Bonds with written notice of each amendment to the Indenture and a copy thereof at least 15 days in advance of its execution.

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IN WITNESS WHEREOF, the Authority has caused the Indenture to be signed in its name by its Chair and attested by its Secretary, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused the Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

CITY OF PITTSBURG PUBLIC FINANCING
AUTHORITY

By: _____
Chair

ATTEST:

Secretary

[U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION], as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2022A

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
_____ %	August 1, 20____	_____, 2022	_____

REGISTERED OWNER CEDE & CO.

PRINCIPAL AMOUNT: _____
DOLLARS

The CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless: (i) this Bond is authenticated after the fifteenth day of the calendar month preceding an interest payment date, whether or not such day is a business day, and on or before the following interest

payment date, in which event it shall bear interest from such interest payment date; or (ii) this Bond is authenticated on or before _____ 15, 20____, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if as of the date of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond), at the Interest Rate per annum specified above, payable semiannually on _____ 1, 202__ and each February 1 and August 1 thereafter, calculated on the basis of a 360 day year composed of twelve 30 day months. Principal hereof and premium, if any, upon early redemption hereof are payable by check of the Trustee upon presentation and surrender hereof at the Office (as defined in the hereinafter described Indenture) of [U.S. Bank Trust Company, National Association], as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee sent by first class mail on the applicable interest payment date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each interest payment date (except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such registered owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such registered owner prior to the fifteenth (15th) day of the month preceding such interest payment date).

Capitalized terms that are used herein and not defined shall have the meanings that are given to such terms in the Indenture.

This Bond is not a debt of the members of the Authority, the State of California, or any of its political subdivisions (other than the Authority), and neither the members of the Authority or said State, nor any of its political subdivisions (other than the Authority), is liable hereon, nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Authority Revenues (as such term is defined in the Indenture of Trust, dated as of _____ 1, 2022 (the "Indenture"), by and between the Authority and the Trustee) and other moneys pledged therefor under the Indenture. The obligation of the City of Pittsburg (the "City") to make payments in accordance with the Installment Purchase Agreement (as such term is defined in the Indenture) is a limited obligation of the City as set forth in the Installment Purchase Agreement and the City shall have no liability or obligation in connection herewith except with respect to such Series 2022 Installment Payments to be made pursuant to the Installment Purchase Agreement. The Bonds do not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limitation or restriction.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "City of Pittsburg Public Financing Authority Water Revenue Bonds, Series 2022A" (the "Bonds"), of an aggregate principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers or interest rates) and all issued pursuant to the provisions of the Joint Exercise of Powers Agreement, dated as of January 1, 1991 (the "JPA Agreement"), dated January 1, 1991, by and between the

City and the Successor Agency to the Redevelopment Agency of the City of Pittsburg, as amended from time to time, and the laws of the State of California and pursuant to the Indenture and the resolution authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Authority Revenues, and the rights thereunder of the Owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority hereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees. The Bonds have been issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

The Bonds have been issued by the Authority to finance certain public capital improvements and related costs, as more fully described in the Installment Purchase Agreement.

This Bond and the interest, premium, if any, hereon and all other Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the Authority, and are payable from, and are secured by a pledge and lien on the Authority Revenues, including all Series 2022 Installment Payments received from the City by the Authority or the Trustee, and any other amounts on deposit in certain funds and accounts created under the Indenture. As and to the extent set forth in the Indenture, all of the Authority Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The Indenture and the rights and obligations of the Authority and the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, exclusive of Bonds disqualified as set forth in the Indenture, in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment may: (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected; or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Authority Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted in the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Authority Revenues and other assets, except as expressly provided in the Indenture, without the consent of the Owners of all of the Bonds then Outstanding.

The Indenture and the rights and obligations of the Authority, the Trustee and the Owners of the Bonds may also be modified or amended for certain purposes described more fully in the Indenture at any time in the manner, to the extent and upon the terms

provided in the Indenture by a supplemental indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such supplemental indenture will not materially adversely affect the interests of the Owners of the Outstanding Bonds.

The Bonds with stated maturities on or after August 1, 20__, are subject to redemption prior to their respective stated maturities, as a whole or in part as directed by the Authority in a Request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within each maturity in integral multiples of \$5,000, on v 1, 20__ or any date thereafter at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium.

The Bonds with stated maturities on August 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on August 1, 20__ and each August 1 thereafter, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Redemption Date (August 1)</i>	<i>Principal Amount</i>
	\$

*

* Maturity.

If some but not all of the Bonds maturing on August 1, 20__ are redeemed pursuant to subsection (a), the principal amount of the applicable Bonds to be redeemed pursuant to this subsection (b) on any subsequent August 1 will be reduced, by \$5,000 or an integral multiple thereof, as designated by the Authority in a Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of the applicable Bonds redeemed pursuant to subsection (a).

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than twenty (20) days nor more than sixty (60) days prior to the redemption date to the respective Owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither the failure to receive such notice nor any defect in the notice or the mailing thereof shall

affect the validity of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all of the Bonds and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his or her duly authorized attorney in writing, at said office of the Trustee but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds of the same series, of authorized denomination or denominations, for the same aggregate principal amount of the same maturity will be issued to the transferee in exchange therefor.

Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series and same maturity, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture.

The Trustee shall not be required to register the transfer or exchange of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts that are required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the JPA Agreement, and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit under any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Chair and attested to by the manual or facsimile signature of its Secretary, all as of the Original Issue Date specified above.

CITY OF PITTSBURG PUBLIC FINANCING
AUTHORITY

By: _____
Chair

Attest:

Secretary of the Board

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON BONDS]

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____, 2022

[U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION], as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Secretary of the Board of the City of Pittsburg
Public Financing Authority

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or
Social Security Number of Assignee)

the within registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by the City of Pittsburgh (the “**City**”) in connection with the issuance of the City of Pittsburgh Public Financing Authority Water Revenue Bonds, Series 2022A (the “**Bonds**”) by the City of Pittsburgh Public Financing Authority (the “**Authority**”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of May 1, 2022 (the “**Indenture**”), by and between the City and U.S. Bank Trust Company, National Association, as trustee. The City covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term “Annual Report” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term “Beneficial Owner” means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

EMMA. The term “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Financial Obligation. The term “Financial Obligation” means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year.

Holder. The term “Holder” means a registered owner of the Bonds.

Listed Events. The term “Listed Events” means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term “Official Statement” means the Official Statement relating to the Bonds dated May __, 2022 delivered in connection with the issuance of the Bonds.

Participating Underwriter. The term “Participating Underwriter” means the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule. The term “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The City shall provide not later than each March 31 following the end of its Fiscal Year (commencing March 31, 2023 with the Annual Report for Fiscal Year 2022) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the City is unable to provide to EMMA an Annual Report by the date required in subsection (a), the City shall send to EMMA a notice in substantially the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed under the preceding clause (a), the Annual Report shall contain information showing the following information for the most recently completed Fiscal Year:

(i) The City’s current water rates, in substantially the form of Tables 6 and 7 in the Official Statement;

(ii) Water supply and water consumption for the most recently completed Fiscal Year and percentage change from the prior Fiscal Year, in substantially the form of Tables 1 and 2 in the Official Statement;

(iii) The ten largest Water System’s accounts for the most recently completed Fiscal Year based on total revenue to the Water System, in substantially the form of Table 5 in the Official Statement;

(iv) The Water System's billings and collections for the most recently completed Fiscal Year;

(v) Any additional indebtedness incurred during the most recently completed Fiscal Year which is payable from revenues of the Water System on a parity with the Series 2022 Installment Payments; and

(vi) Net Revenues received by the City during the most recently completed Fiscal Year, and the amount of debt service coverage provided thereby (expressed as a percentage of total Net Revenues to total debt service on the Series 2022 Installment Payments and any Parity Debt in such Fiscal Year), substantially in the form of Table 13 in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission; provided that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further that the City shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings;

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in

any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and

10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;

2. modifications to the rights of Bondholders;

3. optional, unscheduled or contingent Bond calls;

4. release, substitution or sale of property securing repayment of the Bonds;

5. non-payment related defaults;

6. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the City, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders.

(c) If the City determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Customarily Prepared and Public Information. Upon request, the City shall provide to any person financial information and operating data regarding the City which is customarily prepared by the City and is publicly available.

7. Termination of Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of at least 50% aggregate principal amount of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the City, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: May __, 2022

CITY OF PITTSBURG

By: _____
Its: City Manager

[\$[PRINCIPAL AMOUNT]]
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2022A

BOND PURCHASE AGREEMENT

May __, 2022

City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

City of Pittsburg Public Financing Authority
c/o City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

The undersigned, Piper Sandler & Co. (the "Underwriter"), acting not as a fiduciary or agent for you, but on its own behalf, offers to enter into this Bond Purchase Agreement (which, together with the exhibits hereto, is referred to as the "Bond Purchase Agreement") with the City of Pittsburg, California (the "City") and the City of Pittsburg Public Financing Authority (the "Authority") which, upon acceptance by the City and the Authority, will be binding upon the City, the Authority and the Underwriter. This offer is made subject to acceptance by the City and the Authority by the execution of this Bond Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Capitalized terms that are used herein and not otherwise defined have the meanings that are set forth in the Indenture of Trust, dated as of May 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein, the Underwriter hereby agrees to purchase, and the Authority hereby agrees to sell and deliver to the Underwriter all (but not less than all) of the City of Pittsburg Public Financing Authority Water Revenue Bonds Series 2022A (the "Bonds"). The Bonds will be dated as of their date of delivery. Interest on the Bonds will be payable semiannually on _____ 1, 202_ and each February 1 and August 1 thereafter, and the Bonds will mature and bear interest as set forth in Exhibit A.

The purchase price of the Bonds is \$ _____ (being the aggregate principal amount thereof plus an original issue premium of \$ _____ and less an Underwriter's discount of \$ _____).

The City and the Authority acknowledge and agree that: (a) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's length commercial transaction among the City, the Authority and the Underwriter, and the only obligations that the Underwriter has to the City and the Authority with respect to the transaction that is

contemplated hereby expressly are set forth in this Bond Purchase Agreement; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended) to the City or the Authority; (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City or the Authority with respect to the offering that is contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City or the Authority on other matters); (d) the Underwriter has financial and other interests that may differ from and be adverse to those of the City and the Authority; and (e) the City and the Authority have consulted their own legal, financial, accounting, tax and other advisors to the extent that they have deemed appropriate.

Section 2. The Bonds. The Bonds are payable from certain payments (the “Series 2022 Installment Payments”) to be made by the City pursuant to an Installment Purchase Agreement, dated as of May 1, 2022 (the “Installment Purchase Agreement”), by and between the City and the Authority, under which the City will pay the Series 2022 Installment Payments to the Authority in exchange for the Authority’s assistance in financing certain capital improvements to the City’s municipal water system (the “2022 Project”) through the issuance of the Bonds.

The Bonds shall be as described in, and shall be issued under and pursuant to the Indenture substantially in the form previously submitted to the Underwriter, with only such changes therein as shall be mutually agreed upon by the City and the Underwriter.

The proceeds of the Bonds shall be applied: (1) to finance the 2022 Project; and (2) pay certain costs of issuing the Bonds.

The following documents are collectively referred to herein as the “Authority Documents”: (i) the Indenture; (ii) the Installment Purchase Agreement; (iii) the Bonds; (iv) this Bond Purchase Agreement; and (v) the resolution of the Authority adopted on _____, 2022 (the “Authority Resolution”) authorizing the execution and delivery of the foregoing documents.

The following documents are collectively referred to herein as the “City Documents”: (i) this Bond Purchase Agreement; (ii) the Continuing Disclosure Certificate of the City, dated the Closing Date (the “Continuing Disclosure Certificate”), relating to the Bonds; (iii) the Installment Purchase Agreement; and (iv) the resolution of the City adopted on _____, 2022 (the “City Resolution”) authorizing the execution and delivery of the foregoing documents.

Section 3. Public Offering; Establishment of Issue Price.

(a) The Underwriter agrees to assist the City and the Authority in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing (as such term is defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the

Underwriter, the City and Bond Counsel (as such term is defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A, the City and the Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City, the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City and the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to: (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public; and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City and the Authority acknowledge that, in making the representation set forth in this subsection, the Underwriter

will rely on: (A) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires; and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City and the Authority further acknowledge that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means: (A) any person that agrees pursuant to a written contract with the City or the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public; and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to: (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

Section 4. The Official Statement. By their acceptance of this proposal, the City and the Authority ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement relating to the Bonds dated September 9, 2021 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form that is in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that an authorized officer of the City or the Authority deemed “final” as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for certain

information that is permitted to be omitted therefrom by Rule 15c2-12. The City and the Authority agree to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information that was previously permitted to have been omitted by Rule 15c2-12), including the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the City, the Authority and the Underwriter (the "Official Statement") in such quantity as the Underwriter shall reasonably request to comply with Section (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "MSRB").

The Underwriter hereby agrees that it will not request that payment be made by any purchaser of the Bonds prior to delivery by the Underwriter to the purchaser of a copy of the Official Statement. The Underwriter agrees: (i) to provide the City with final pricing information for the Bonds on a timely basis; and (ii) to promptly file a copy of the Official Statement, including any supplements prepared by the City and the Authority, with the MSRB at <http://emma.msrb.org>. The City and the Authority hereby approve of the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the offer and sale of the Bonds. The City and the Authority will cooperate with the Underwriter in the filing by the Underwriter of the Official Statement with the MSRB.

Section 5. Closing. At 8:30 a.m., California Time, on May __, 2022, or at such other time or date as the City, the Authority and the Underwriter agree upon (the "Closing Date"), the City shall deliver or cause to be delivered to the Trustee, the Bonds, in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"), so that the Bonds may be issued and credited to the account specified by the Underwriter under DTC's FAST procedures. Concurrently with the issuance of the Bonds, the City will deliver the documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California ("Bond Counsel"), or another place to be mutually agreed upon by the City, the Authority and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents, is herein called the "Closing."

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC, in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The City and the Authority acknowledge that the services of DTC will be used initially by the Underwriter in order to permit the delivery of the Bonds in book-entry form, and agrees to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the Authority. The Authority represents, warrants and covenants to the Underwriter that:

(a) The Authority is a joint exercise of powers agency that is duly organized and existing in good standing under and by virtue of the general laws of the State of California (the "State").

(b) The Authority has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the Authority Documents.

(c) By all necessary official action, the Authority has duly authorized and approved the issuance of the Bonds and the Authority Documents at a regular meeting of the Authority's Board of Directors, has duly authorized and approved the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents and the consummation by it of all other transactions contemplated by the Authority Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The Authority has complied, and will at the Closing be in compliance in all material respects, with the terms of the Authority Documents.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party which breach or default has or may have a materially adverse effect on the ability of the Authority to perform its obligations under the Authority Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the Authority Documents, if applicable, and compliance with the provisions on the Authority's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

(e) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Authority of its obligations in connection with the Authority Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the

Bonds. Except as described in or contemplated by the Preliminary Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Authority Documents have been duly obtained.

(f) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not and up to and including the Closing will not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Official Statement under the caption “UNDERWRITING” and information regarding DTC and its book-entry only system, as to which no view is expressed).

(g) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(h) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the Authority having been accomplished, or threatened in writing to the Authority: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance of any of the Bonds, or the payment or collection of Series 2022 Installment Payments under the Installment Purchase Agreement or of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the Authority Documents or the consummation of the transactions contemplated thereby or hereby, contesting the exclusion of interest on the Bonds from federal taxation or the exemption of interest on the Bonds from State taxation or contesting the powers of the Authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) To the Authority’s knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 6(h).

(j) Until the date which is twenty-five (25) days after the end of the underwriting period, if any event shall occur of which the Authority is aware that would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact that is necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book-entry only system, as to which no view is expressed), the Authority shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the Authority shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term "end of the underwriting period" means the later of such time as: (i) the Authority issues the Bonds; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the "end of the underwriting period" shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Underwriter at or prior to the Closing Date of the Bonds and shall specify a date (other than the Closing Date) to be deemed the end of the underwriting period.

(k) The Authority will refrain from taking any action, or permitting any action to be taken, with regard to which the Authority may exercise control, that results in the loss of the tax-exempt status of the interest for federal income tax purposes on the Bonds.

(l) The Authority will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Series 2022 Installment Payments while the Bonds are Outstanding.

(m) Any certificate signed by any officer of the Authority authorized to execute such certificate in connection with the issuance and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the Authority to the Underwriter as to the statements made therein but not of the person signing such certificate.

Section 7. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Underwriter that:

(a) The City is a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State of California.

(b) The City has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents, and the Installment Purchase Agreement creates a valid pledge of, first lien upon, and security interest in, the Series 2022 Installment Payments.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in,

the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all material respects, with the terms of the City Documents.

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party which breach or default has or may have a materially adverse effect on the ability of the City to perform its obligations under the City Documents, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the adoption, execution and delivery of the City Documents, if applicable, and compliance with the provisions on the City's part contained therein, will not conflict in any material way with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the City or under the terms of any such law, regulation or instrument, except as may be provided by the City Documents.

(e) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with the City Documents, have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds. Except as described in or contemplated by the Preliminary Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(f) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement do not and up to and including the Closing will

not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include statements in the Official Statement under the caption "UNDERWRITING" and information regarding DTC and its book-entry only system, as to which no view is expressed).

(g) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(h) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process upon the City having been accomplished, or threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance of any of the Bonds, or the payment or collection of Series 2022 Installment Payments under the Installment Purchase Agreement or of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the City Documents or the consummation of the transactions contemplated thereby or hereby, contesting the exclusion of interest on the Bonds from federal taxation or the exemption of interest on the Bonds from State taxation or contesting the powers of the Authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the City; (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (v) materially adversely affecting the City's rights to receive and expend revenues of its water system.

(i) To the City's knowledge, there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 7(h).

(j) Until the date which is twenty-five (25) days after the end of the underwriting period, if any event shall occur of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact that is necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding DTC and its book-entry only system, as to which no view is expressed), the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time and the City shall promptly furnish to the

Underwriter a reasonable number of copies of such supplement. Any notice delivered pursuant to this provision shall be written notice delivered to the Underwriter at or prior to the Closing Date of the Bonds and shall specify a date (other than the Closing Date) to be deemed the end of the underwriting period.

(k) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to Rule 15c2-12 to provide annual reports or notices of material events specified in such rule.

(l) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest for federal income tax purposes on the Bonds.

(m) The audited financial statements of the City as of June 30, 2021 attached as an appendix to the Official Statement fairly represent the receipts, expenditures and cash balances of the City. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any material adverse change in the financial condition of the City or in its operations since June 30, 2021, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such material adverse change.

(n) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate and the other City Documents, to provide annual reports and notices of certain events. A description of this undertaking is set forth in an appendix to the Preliminary Official Statement and will also be set forth in the Official Statement.

(o) The City will refrain from taking any action, or permitting any action to be taken, to reduce the amount of the Series 2022 Installment Payments while the Bonds are Outstanding, and the City will pay the Series 2022 Installment Payments in accordance with the Installment Purchase Agreement.

(p) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter as to the statements made therein but not of the person signing such certificate.

Section 8. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and warranties of the City and the Authority contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the statements of the officers and other officials of the City and the Authority, as well as authorized representatives of Bond Counsel and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof; to the performance by the City and the Authority of their obligations to be performed under the City Documents and the Authority Documents, respectively, at or prior to the Closing Date; and to the following additional conditions:

(a) The representations, warranties and covenants of the City and the Authority contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) At the time of Closing, the City Documents and the Authority Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the City Documents, the Authority Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, no material default shall have occurred or be existing under the City Documents, the Authority Documents or any other agreement or document pursuant to which any of the City's or the Authority's financial obligations were executed and delivered, and the City and the Authority shall not be in default in the payment of principal or interest with respect to any of their respective financial obligations, which default would materially adversely impact the ability of the City to pay the Series 2022 Installment Payments or the ability of the Authority to pay the Bonds.

(d) In recognition of the desire of the City, the Authority and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Bond Purchase Agreement shall be subject to termination in the discretion of the Underwriter by notification, in writing, to the City prior to delivery of and payment for the Bonds, if at any time prior to such time, regardless of whether any of the following statements of fact were in existence or known of on the date of this Bond Purchase Agreement:

(i) any event shall occur which makes untrue any material statement or results in an omission to state a material fact that is necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds;

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Bond Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service

or other federal or state authority affecting the federal or state tax status of the City or the Authority, or the interest on or with respect to bonds or notes (including the Bonds);

(iii) any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds;

(iv) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental authority having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(v) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect;

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds;

(vii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange;

(viii) the declaration of war or the escalation of, or engagement in, military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis or health emergency relating to the effective operation of the government of, or the financial community or financial markets in, the United States or elsewhere, or the escalation of such calamity or crisis or health emergency, which, in the judgment of the Underwriter, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner that are contemplated in the Preliminary Official Statement or the Official Statement;

(ix) any rating of the Bonds, or the rating of any obligations of the City, shall have been downgraded, withdrawn or placed on credit watch by a national rating

service, which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(x) the commencement of any action, suit or proceeding described in Sections 6(h) or 7(h).

(e) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) The executed Authority Resolution;

(ii) The executed City Resolution;

(iii) The City Documents and the Authority Documents, each duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) Specimen Bonds;

(v) The approving opinion of Bond Counsel dated the Closing Date and addressed to the City, in substantially the form attached as an appendix to the Official Statement, and a reliance letter or letters thereon addressed to the Underwriter and the Trustee;

(vi) A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Preliminary Official Statement and the Official Statement and in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS," and in Appendices B, C and E, excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the City Documents, the Authority Documents and Bond Counsel's final opinion concerning certain federal tax matters relating to the Bonds, present a fair and accurate summary of the provisions thereof as of the Closing Date, provided that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Bonds are initially issued;

(B) The Bond Purchase Agreement has been duly authorized, executed and delivered by the City and the Authority and is the valid, legal and binding agreement of the City and the Authority enforceable in accordance with its terms, except that the rights and obligations under the Bond Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State; and

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(vii) The Official Statement, executed on behalf of the City and/or the Authority, and the Preliminary Official Statement;

(viii) Evidence that the ratings on the Bonds are as described in the Official Statement;

(ix) [A disclosure certificate of the Insurer covering its disclosure in both the Preliminary Official Statement and the Official Statement;

(x) The Policy delivered by the Insurer substantially in the form set forth in Appendix ___ to the Official Statement;

(xi) The opinion of counsel to the Insurer in customary form;]

(xii) A certificate, dated the Closing Date, signed by a duly authorized officer of the Authority satisfactory in form and substance to the Underwriter substantially as set forth in Exhibit C;

(xiii) A certificate, dated the Closing Date, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Bond Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date by the City, and the City has complied with, in all material respects, all of the terms and conditions of the Bond Purchase Agreement required to be complied with by the City at or prior to the Closing Date; (ii) to the best of such officer's knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information in the Official Statement under the caption "UNDERWRITING" and information regarding DTC and its book-entry only system) did not as of its date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; and (iv) to the best of its knowledge after reasonable investigation, the City is not, in any material respect, in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including but not limited to the Installment Purchase Agreement) or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the City Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument;

(xiv) An opinion dated the Closing Date and addressed to the Underwriter, of counsel to the Authority, satisfactory in form and substance to the Underwriter substantially as set forth in Exhibit D;

(xv) An opinion dated the Closing Date and addressed to the Underwriter, of the City Attorney, to the effect that:

(A) The City is a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State of California;

(B) The City Resolution was duly adopted at a regular meeting of the City Council of the City which was duly noticed and at which a quorum was present and acting throughout, is in full force and effect and has not been modified, amended, rescinded or repealed since its date of adoption;

(C) The City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute the valid and binding obligations of the City, except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws, or by legal or equitable principles relating to or limiting creditors' rights generally;

(D) To the best of such counsel's knowledge, no consent, authorization or approval of, or filing or registration with, any governmental or regulatory officer or body which has not already been obtained is required to be obtained by the City for the execution and performance of the City Documents or the actions on the part of the City contemplated thereby, including causing the issuance of the Bonds;

(E) Except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel, there is no litigation, proceeding, action, suit or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process upon the City having been accomplished, or threatened in writing against the City, challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the payment of the Series 2022 Installment Payments or the repayment of the Bonds or in any way contesting or affecting the validity of the City Documents or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or which, in any manner, questions the right of the City to pay the Series 2022 Installment Payments under the Installment Purchase Agreement; and

(F) To the best of such counsel's knowledge, the execution and delivery of the City Documents and compliance with the provisions thereof do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(xvi) A letter of Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, in its capacity as Disclosure Counsel, dated the

Closing Date and addressed to the City, the Authority and the Underwriter, substantially to the effect that, based upon the information made available to it in the course of its participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, and stated as a matter of fact and not opinion, during the course of its representation of the City and the Authority on this matter, no facts came to the attention of the attorneys in its firm rendering legal services in connection with the Preliminary Official Statement and the Official Statement which caused them to believe that the Preliminary Official Statement or the Official Statement, as of their respective dates or as of the Closing Date (except any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates or projections and information relating to The Depository Trust Company and its book-entry system included or referred to therein and the information in Appendices E and F thereto, which shall be expressly excluded from the scope of this paragraph and as to which such firm will express no opinion or view), contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xvii) An opinion of Norton Rose Fulbright US LLP, counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(xviii) An opinion of counsel to the Trustee, addressed to the Underwriter and dated the Closing Date, in form and substance satisfactory to the Underwriter and to Bond Counsel;

(xix) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, in form and substance satisfactory to the Underwriter, and an incumbency certificate of the Trustee;

(xx) A certificate, dated the Closing Date, signed by a duly authorized representative of the City, in form and substance satisfactory to the Underwriter and the Authority, that the City has complied with all conditions required to be met with respect to the issuance of Parity Bonds or Contracts, including covenants relating to the City's Refunding Water Revenue Bonds, Series (the "2016 Bonds"), and the Installment Sale Agreement, dated November 17, 2014 (the "2014 ISA"), by and between the City and the California Infrastructure and Economic Development Bank;

(xxi) If required, a report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant with respect to Parity Bonds or Contracts as required by the 2016 Bonds and the 2014 ISA;

(xxii) For each of the Bonds and the Installment Purchase Agreement, the preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code;

(xxiii) A copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system;

(xxiv) The tax and nonarbitrage certificate of the City and the Authority relating to the Bonds in form and substance to the reasonable satisfaction of Bond Counsel and the Underwriter;

(xxv) A certificate, dated the date of the Preliminary Official Statement, of the City and the Authority, as required under Rule 15c2-12;

(xxvi) Evidence that a Debt Management Policy which complies with Section 8855 of the Government Code has been adopted by the City;

(xxvii) A certified copy of the executed joint exercise of powers agreement of the Authority, together with documentation from the Secretary of State with respect to the Authority's good standing; and

(xxviii) Such additional legal opinions, certificates, proceedings, instruments or other documents as Bond Counsel or the Underwriter may reasonably request.

Section 9. Changes in Official Statement. After the Closing, the City and the Authority will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall reasonably object in writing. Within 25 days following the end of the underwriting period, if any event relating to or affecting the Bonds, the Trustee, the City or the Authority shall occur as a result of which it is necessary, in the opinion of the Underwriter and Disclosure Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City and the Authority shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the end of the underwriting period will be the Closing Date unless the Underwriter gives notice to the City and the Authority to the contrary in accordance with Sections 7(j) and 6(j), respectively.

Section 10. Expenses. Whether or not the Bonds are delivered to the Underwriter as set forth herein:

(a) The Underwriter shall be under no obligation to pay, and the City and the Authority shall pay or cause to be paid (out of any legally available funds) all expenses that are incident to the performance of the City's and the Authority's obligations hereunder, including, but not limited to, the cost of printing and delivering the Bonds to the Underwriter, the cost of preparation, printing, distribution and delivery of the City Documents, the Authority Documents, the Preliminary Official Statement, the Official Statement and all other agreements and documents that are contemplated hereby (and drafts of any thereof) in such reasonable quantities as requested by the Underwriter (excluding the fees and disbursements

of the Underwriter's counsel), the fees and disbursements of the Trustee, Bond Counsel and Disclosure Counsel, the City's municipal advisor and any accountants, engineers or any other experts or consultants that the City or the Authority has retained in connection with the issuance of the Bonds, and any other expenses that are agreed to by the parties; and

(b) The City and the Authority shall be under no obligation to pay, and the Underwriter shall pay, any fees of the California Debt and Investment Advisory Commission, the cost of preparation of any Blue Sky or legal investment memoranda and this Bond Purchase Agreement; expenses to qualify the Bonds for sale under any Blue Sky or other state securities laws and all other expenses that are incurred by the Underwriter in connection with the public offering and distribution of the Bonds (except those which are specifically enumerated in paragraph (a) of this section), including the fees and disbursements of its counsel and any advertising expenses.

Section 11. Notices. Any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 50 California, Suite 3100, San Francisco, CA 94111, Attention: Ralph Jason Holmes, Managing Director. All notices or communications hereunder by any party shall be given and served upon each other party. Any notice or communication to be given to the City or the Authority under this Bond Purchase Agreement may be given by delivering the same in writing to the applicable address set forth on the first page of this Bond Purchase Agreement.

Section 12. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the City, the Authority and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 14. Counterparts. This Bond Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 15. Survival of Representations and Warranties. The representations and warranties of the City and the Authority in or made pursuant to this Bond Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Bond Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City and the Authority and regardless of delivery of and payment for the Bonds.

Section 16. Effectiveness. This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and the Authority and shall be valid and enforceable as of the time of such acceptance.

Section 17. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

PIPER SANDLER & CO., as Underwriter

By: _____
Ralph Jason Holmes, Managing Director

Accepted as of the date first stated above:

CITY OF PITTSBURG

By: _____
Garrett Evans, City Manager

CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY

By: _____
Garrett Evans, Executive Director

EXHIBIT A

**[\$[PRINCIPAL AMOUNT]]
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2022A**

MATURITY SCHEDULE

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Initial Offering Price	10% Test Used	Hold-the- Offering- Price Rule Used
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EXHIBIT B

**[\$[PRINCIPAL AMOUNT]]
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2022A**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Sandler & Co. (“PSC”) hereby certifies as set forth below with respect to the sale and delivery of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) PSC offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated May ____, 2022, by and among PSC, as the Underwriter (as defined below), the City of Pittsburg and the Issuer (as defined below), PSC has agreed in writing that: (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”); and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (which Sale Date is May ____, 2022), or (ii) the date on which PSC has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the City of Pittsburg Public Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May __, 2022.

(h) *Underwriter* means: (i) any person that agrees pursuant to a written contract with the Issuer and the City of Pittsburg (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public; and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents PSC's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the City of Pittsburg with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, A Professional Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer or the City of Pittsburg from time to time relating to the Bonds.

PIPER SANDLER & CO.

By: _____

Name: _____

Dated: May __, 2022

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING
PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

EXHIBIT C

**[\$[PRINCIPAL AMOUNT]
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2022A**

CLOSING CERTIFICATE OF THE AUTHORITY

The undersigned hereby certifies and represents that the undersigned is the duly appointed and acting representative of the City of Pittsburgh Public Financing Authority (the “**Authority**”) and is duly authorized to execute and deliver this certificate and further hereby certifies and reconfirms on behalf of the Authority as follows:

(i) The covenants, representations and warranties of the Authority contained in the Authority Documents (as such term is defined in the Bond Purchase Agreement, dated May __, 2022, by and among the City of Pittsburgh (the “**City**”), the Authority and Piper Sandler & Co. (the “**Underwriter**”), are true and correct in all material respects on and as of the date hereof, with the same effect as if made on the date hereof.

(ii) The resolution of the Authority approving and authorizing the execution of the Authority Documents was duly adopted at a regular meeting of the Authority held on _____, 2022 which was duly noticed pursuant to law and at which a quorum was present and acting throughout, is in full force and effect as of the date hereof and has not been amended, modified or supplemented, except as agreed to by the Underwriter.

(iii) The Authority has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied on or prior to the date hereof relating to the above-captioned obligations (the “**Bonds**”).

(iv) The information and statements contained in the Official Statement relating to the Bonds dated May __, 2022 (the “**Official Statement**”) (other than information in the Official Statement under the caption “**UNDERWRITING**” and information regarding DTC and its book-entry only system) did not as of its date and do not as of the date hereof contain an untrue statement of a material fact or omit to state any material fact that is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(v) No event affecting the Authority has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date hereof the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect.

Dated: May __, 2022

CITY OF PITTSBURG PUBLIC FINANCING
AUTHORITY

By: _____

EXHIBIT D

CLOSING OPINION OF THE COUNSEL TO THE AUTHORITY

May __, 2022

City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

Piper Sandler & Co.
50 California, Suite 3100
San Francisco, California 94111

City of Pittsburg Public Financing

U.S. Bank Trust Company, National Association
Au One California Street, Suite 1000
tho San Francisco, California 94111
rity

c/o City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

**[\$[PRINCIPAL AMOUNT]]
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS
SERIES 2022A**

Ladies and Gentlemen:

We have acted as counsel to the City of Pittsburg Public Financing Authority (the “**Authority**”) in connection with issuance of the above-captioned obligations (the “**Bonds**”). As such, we have examined: (i) the Installment Purchase Agreement, dated as of May 1, 2022 (the “**Installment Purchase Agreement**”), by and between the City of Pittsburg (the “**City**”) and the Authority; (ii) the Indenture of Trust, dated as of May 1, 2022 (the “**Indenture**”), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”); (iii) the Bond Purchase Agreement, dated May __, 2022 (the “**Bond Purchase Agreement**”), by and among the City, the Authority and Piper Sandler & Co., as underwriter; and (iv) the resolution of the Authority adopted on May __, 2022 (the “**Authority Resolution**”) authorizing the execution and delivery of the foregoing documents. The Installment Purchase Agreement, the Indenture, the Bond Purchase Agreement, the Bonds and the Authority Resolution are hereinafter referred to collectively as the “**Authority Documents**.”

Based upon the foregoing, we are of the opinion, under existing law, as follows:

(i) the Authority is duly organized and validly existing as a joint exercise of powers agency under the laws of the State of California and is possessed of full power to finance, acquire and construct real and personal property and to sell the same;

(ii) the Authority Resolution was duly adopted at a regular meeting of the governing body of the Authority which was called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout;

D-1

(iii) the Authority has full right and lawful authority to execute and deliver the Authority Documents and such documents have been duly authorized, executed and delivered by and on behalf of the Authority. Assuming the due authorization, execution and delivery by the other parties thereto, the Authority Documents are legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws, or by legal or equitable principles relating to or limiting creditors' rights generally;

(iv) to the best of our knowledge, after investigation, there is no action, suit, proceeding, inquiry, or investigation before or by any court or public board or body pending or threatened wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated by the Bonds, the Authority Documents or any other agreement, document, or certificate related to such transaction;

(v) insofar as it will have a material adverse effect on the ability of the Authority to enter into, carry out or perform its obligations under the foregoing agreements or to consummate the transactions contemplated thereby, to the best of our knowledge, after investigation, the Authority is not in material breach of or default under any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and to the best of our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and

(vi) no authorization, approval, consent, or order of any governmental agency or, to the best of our knowledge, any other person or corporation is required for the valid authorization, execution and delivery of the Authority Documents on behalf of the Authority that has not been obtained.

This opinion is rendered solely in connection with the financing described herein, and may not be relied upon by you for any other purpose. We disclaim any obligation to update this opinion. This opinion shall not extend to, and may not be used, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without our prior written consent.

This opinion may be relied upon by the City of Pittsburg Public Financing Authority, the City of Pittsburg, Piper Sandler & Co. and U.S. Bank Trust Company, National Association, and their successors and assigns.

Respectfully submitted,

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2022

NEW ISSUE – BOOK-ENTRY ONLY

[Insured Bonds Rating: S&P]: __
Underlying Rating: S&P: __
See the caption “RATINGS”

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption “TAX MATTERS.”

\$ _____*
CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2022A

Dated: Date of Delivery

Due: [August] 1, as shown on inside front cover page

The Bonds are being issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in denominations of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the Bonds will not receive certificates representing their beneficial ownership in the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds is payable on August 1, 2022 and each February 1 and August 1 thereafter. Payment of the principal of and interest on the Bonds is to be made to Cede & Co., which is to disburse said payments to the Beneficial Owners of the Bonds through their nominees.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, all as more fully described herein.

The Bonds are being issued to provide funds: (i) to finance certain capital improvements to the City’s municipal water system; and (ii) to pay costs incurred in connection with the issuance of the Bonds, including the premium for a municipal bond insurance policy insuring the Bonds maturing on August 1 of the years 20__ through 20__, inclusive, to be issued by _____.

The Bonds are being issued pursuant to the Indenture of Trust, dated as of May 1, 2022, by and between the City of Pittsburg Public Financing Authority and U.S. Bank Trust Company, National Association, as trustee. THE BONDS ARE A SPECIAL LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM AUTHORITY REVENUES, WHICH CONSIST OF SERIES 2022 INSTALLMENT PAYMENTS TO BE MADE BY THE CITY TO THE AUTHORITY PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT, DATED AS OF MAY 1, 2022, BY AND BETWEEN THE CITY AND THE AUTHORITY, AND FROM CERTAIN OTHER FUNDS AND ACCOUNTS HELD BY THE TRUSTEE PURSUANT TO THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR ANY OTHER REVENUES OR FUNDS OF THE AUTHORITY ARE PLEDGED TO OR AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS. THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

No debt service reserve fund or account has been established under the Indenture or the Installment Purchase Agreement in connection with the issuance of the Bonds.

The City has entered into obligations which are payable from Net Revenues on a parity with the obligation to pay Series 2022 Installment Payments which were outstanding in the aggregate principal amount of \$32,472,649 as of June 30, 2021. The City may incur additional obligations payable from Net Revenues on a parity with the obligation to pay Series 2022 Installment Payments, subject to the terms and conditions of the Installment Purchase Agreement, as more fully described herein.

THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO MAKE THE SERIES 2022 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM NET REVENUES OF THE CITY’S WATER SYSTEM AND DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The scheduled payment of principal of and interest on the Bonds maturing on August 1 of the years 20__ through 20__, inclusive, with CUSIP #s __ and __, respectively (collectively, the “Insured Bonds”), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by _____.

[INSURER LOGO]

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

MATURITY SCHEDULE

(See inside front cover page)

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of the valid, legal and binding nature of the Bonds by Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, and certain other conditions. Certain matters will be passed upon for the City and the Authority by the City Attorney, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel, for the Underwriter by its counsel, Norton Rose Fulbright US LLP, for the Insurer by its counsel and for the Trustee by its counsel. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about May 26, 2022.

PIPER | SANDLER

Dated: May __, 2022

\$ _____*

CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2022A

MATURITY SCHEDULE

BASE CUSIP[†] _____

<i>Maturity (August 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†]</i>
20__	\$	%	%		

\$ _____ % Term Bond due August 1, 20__, Yield: _____ %, Price: _____, CUSIP[†] _____

* Preliminary, subject to change.

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CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY

BOARD OF DIRECTORS

Holland Barrett White, *Chair*
Shanelle Scales-Preston, *Vice Chair*
Juan Antonio Banales, *Director*
Jelani Killings, *Director*
Merl Craft, *Director*

CITY OF PITTSBURG

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Shanelle Scales-Preston, *Vice Mayor*
Juan Antonio Banales, *Council Member*
Jelani Killings, *Council Member*
Merl Craft, *Council Member*

STAFF

Garrett Evans, *City Manager*
Nancy Parent, *City Treasurer*
Paul Rodrigues, *Finance Director*
Dick Abono, *Public Works Director/City Engineer*
Donna Mooney, Esq., *City Attorney*

SPECIAL SERVICES

Municipal Advisor

NHA Advisors, LLC
San Rafael, California

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
Newport Beach, California

Trustee

U.S. Bank Trust Company, National Association
San Francisco, California

No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement and the information that is contained herein are subject to completion or amendment without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the Authority or any other parties that are described herein since the date hereof. These securities may not be sold, nor may an offer to buy them be accepted, prior to the time that the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements which are included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend” or similar words. Such forward-looking statements include, but are not limited to, certain statements contained under the captions “THE CITY,” “THE WATER SYSTEM” AND “WATER SYSTEM FINANCIAL INFORMATION.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, DEALER BANKS, BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The City maintains a website; however, information presented on such website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

[INSURER DISCLOSURE TO COME]

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement, and the offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms that are used and not otherwise defined in this Summary Statement have the meanings ascribed to them in this Official Statement.

Purpose. The Bonds are being issued to provide funds: (i) to finance certain capital improvements to the City's Water System, as described under the caption "THE 2022 PROJECT;" and (ii) to pay costs incurred in connection with the issuance of the Bonds, including the premium for a municipal bond insurance policy insuring the Bonds maturing on August 1 of the years 20__ through 20__, inclusive, to be issued by _____. See the caption "ESTIMATED SOURCES AND USES OF FUNDS."

Security for the Bonds. The Bonds are a special limited obligation of the Authority payable solely from Authority Revenues, which consist of Series 2022 Installment Payments to be made by the City to the Authority pursuant to the Installment Purchase Agreement and amounts on deposit in certain funds and accounts established by the Indenture. Neither the full faith and credit nor any other revenues or funds of the Authority are pledged to or available for the payment of debt service on the Bonds. THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

The obligation of the City to make Series 2022 Installment Payments is a special limited obligation of the City payable solely from Net Revenues of the City's Water System, which consist of Revenues of the Water System remaining after payment of Operation and Maintenance Costs of the Water System. See the caption "SECURITY FOR THE BONDS."

The obligation of the City to make the Series 2022 Installment Payments under the Installment Purchase Agreement is absolute and unconditional, and until such time as all payments that are required thereunder have been paid in full (or provision for the payment thereof has been made as provided for in the Installment Purchase Agreement), the City will not discontinue or suspend any Series 2022 Installment Payments required to be made by it under the Installment Purchase Agreement when due, whether or not the Water System or any part thereof is operating or operable, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the 2022 Project has been completed, and such payments will not be subject to reduction whether by offset or otherwise and will not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO MAKE THE SERIES 2022 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM NET REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Bond Insurance. Concurrently with the issuance of the Bonds, _____ will issue its Municipal Bond Insurance Policy for the Bonds maturing on August 1 of the years 20__ through 20__, inclusive. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy set forth in Appendix F.

No Reserve Fund. No debt service reserve fund or account has been established under the Indenture or the Installment Purchase Agreement in connection with the issuance of the Bonds.

Rate Stabilization Fund. The City has agreed and covenanted to maintain, so long as any Bonds remain outstanding, a Rate Stabilization Fund. There is \$[0] on deposit in the Rate Stabilization Fund as of the date of the initial issuance of the Bonds. The City may withdraw and deposit amounts therein from time to time in its sole discretion.

The Rate Stabilization Fund and all amounts on deposit therein have been irrevocably pledged to the payment of the Parity Bonds and Contracts as provided herein. The City may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund from time to time and transfer such amounts to the Revenue Fund for application in accordance with the Installment Purchase Agreement. Amounts transferred from the Rate Stabilization Fund to the Revenue Fund during or within 270 days after the end of a Fiscal Year may be taken into account as Revenues for purposes of the calculations under the additional debt test and the rate covenant under the Installment Purchase Agreement in such Fiscal Year to the extent provided in the definition of “Revenues” in the Installment Purchase Agreement. See the caption “SECURITY FOR THE BONDS—Rate Stabilization Fund.”

Rate Covenant. The City will, to the fullest extent permitted by law, fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service which are reasonably expected, at the commencement of each Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 125% of the Debt Service in such Fiscal Year. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the foregoing requirements. See the caption “SECURITY FOR THE BONDS—Rate Covenant.”

So long as the 2016 Bonds and the 2014 ISA (as such terms are defined under the caption “INTRODUCTION”) are outstanding, the City will also comply with the provisions thereof relating to the setting of rates and charges.

Parity Obligations. The City has entered into obligations (the 2016 Bonds and the 2014 ISA) which are payable from Net Revenues on a parity with the obligation to pay Series 2022 Installment Payments which were outstanding in the aggregate principal amount of \$32,472,649 as of June 30, 2021.

Additional Indebtedness. The Installment Purchase Agreement does not permit the City to make any additional pledge of, or to place any additional lien on, the Revenues, or any portion thereof, which is senior to the pledge and lien securing the payment of the Series 2022 Installment Payments. The Installment Purchase Agreement does permit the City to incur Parity Bonds and Contracts payable on a parity with the Series 2022 Installment Payments provided that certain conditions are satisfied as described herein. Nothing in the Installment Purchase Agreement precludes the City from entering into obligations which are Operation and Maintenance Costs and, therefore, payable from Revenues prior to the Series 2022 Installment Payments, or from issuing any bonds or executing any contracts the payments under which are payable from Net Revenues on a subordinate basis to the Series 2022 Installment Payments, Parity Bonds and Contracts of the City. See the caption “SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts.”

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See the caption “THE BONDS—Redemption.”

The City and the Water System. The City is located in north central Contra Costa County, approximately 40 miles northeast of San Francisco. The City had a population of approximately 74,498 as of January 1, 2021 and covers approximately 19 square miles. The City was founded in 1849 and incorporated

in 1980 as a general law city operating under a council/manager form of government. Land use in the City is primarily residential, with areas of commercial and industrial development.

The City provides police protection, street construction and maintenance, housing and planning and building services, as well as parks and recreational programs and water, wastewater and stormwater service. The City contracts with the Contra Costa County Fire Protection District for fire protection services. The City has a large industrial and port complex on Suisun Bay and is accessible by water from the Pacific Ocean.

As of spring 2022, the City supplies potable water to approximately: (i) 17,588 single family residential customers; (ii) 545 multi-family residential and senior customers; (iii) 597 commercial customers; and (iv) 528 industrial, government, irrigation, institutional and other customers. All water connections are metered.

The City has two sources of water: (i) untreated water that is imported from the Contra Costa Water District, which has a contract to obtain Central Valley Project water from the United States Bureau of Reclamation; and (ii) untreated groundwater that is extracted from two City-owned wells in the Pittsburg Plain Groundwater Basin. See the caption “THE WATER SYSTEM—Water Supply” for a detailed description of the City’s various water sources.

Both of the City’s water sources consist of untreated water. Accordingly, all of the City’s water supply must be treated prior to delivery to customers. The City’s water treatment facility, the WTP, has a permitted capacity of 28 million gallons per day and was originally constructed in 1953. See the caption “THE WATER SYSTEM—Pittsburg Water Treatment Plant” for a description of the WTP and the caption “THE 2022 PROJECT” for a description of planned upgrades to the WTP that are being financed from proceeds of the Bonds.

§ _____*

**CITY OF PITTSBURG PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2022A**

INTRODUCTION

This Official Statement, including the front cover page, the inside front cover page and the appendices, provides certain information concerning the sale and delivery of the City of Pittsburg Public Financing Authority Water Revenue Bonds, Series 2022A (the “**Bonds**”). Descriptions and summaries of various documents that are set forth in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document. Capitalized terms that are used and not otherwise defined in this Official Statement have the meanings ascribed thereto in Appendix B.

The Bonds are being issued to provide funds: (i) to finance certain capital improvements to the City’s Water System, as described under the caption “THE 2022 PROJECT;” and (ii) to pay costs incurred in connection with the issuance of the Bonds, including the premium for a municipal bond insurance policy (the “**Policy**”) insuring the Bonds maturing on August 1 of the years 20__ through 20__, inclusive (collectively, the “**Insured Bonds**”), to be issued by _____ (“_____” or the “**Insurer**”). See the caption “ESTIMATED SOURCES AND USES OF FUNDS.”

The Bonds are being issued pursuant to an Indenture of Trust, dated as of May 1, 2022 (the “**Indenture**”), by and between the City of Pittsburg Public Financing Authority (the “**Authority**”) and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”). The Bonds are limited obligations of the Authority payable solely from Authority Revenues, which consist of payments (the “**Series 2022 Installment Payments**”) to be made by the City of Pittsburg (the “**City**”) to the Authority pursuant to an Installment Purchase Agreement, dated as of May 1, 2022 (the “**Installment Purchase Agreement**”), by and between the City and the Authority, and amounts on deposit in certain funds and accounts established by the Indenture.

The obligation of the City to make Series 2022 Installment Payments is a special limited obligation of the City payable solely from Net Revenues of the City’s Water System, which consist of Revenues of the City’s Water System remaining after payment of Operation and Maintenance Costs of the City’s Water System. See the caption “SECURITY FOR THE BONDS.” The term “**Water System**” is defined in Appendix B under the caption “INSTALLMENT PURCHASE AGREEMENT—DEFINITIONS.”

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See the caption “THE BONDS—Redemption.”

The City has entered into the following obligations which are payable from Net Revenues on a parity with the obligation to pay Series 2022 Installment Payments: (i) the City of Pittsburg Refunding Water Revenue Bonds, Series (the “**2016 Bonds**”), which were outstanding in the aggregate principal amount of \$22,805,000 as of June 30, 2021; and (ii) the Installment Sale Agreement, dated November 17, 2014 (the “**2014 ISA**”), by and between the City and the California Infrastructure and Economic Development Bank, which was outstanding in the aggregate principal amount of \$9,667,649 as of June 30, 2021.

The City is permitted to incur additional obligations payable on a parity with the Series 2022 Installment Payments provided that certain conditions are satisfied as described herein. See the caption “SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts.”

* Preliminary, subject to change.

No debt service reserve fund or account has been established under the Indenture or the Installment Purchase Agreement in connection with the issuance of the Bonds.

The City has undertaken to provide annual reports to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA") pursuant to a continuing disclosure certificate. See the caption "CONTINUING DISCLOSURE" and Appendix E.

THE 2022 PROJECT

As described under the caption "THE WATER SYSTEM—Water Supply," all of the City's water supplies are treated prior to delivery to customers. The City's water treatment facility is called the Pittsburg Water Treatment Plant (the "WTP"). See the caption "THE WATER SYSTEM—Pittsburg Water Treatment Plant" for a detailed description of the WTP.

The WTP includes eight dual-media (granular activated carbon) filters, all of which were installed in the 1970s or earlier. The filters are in poor condition, with four requiring replacement and the other four requiring rehabilitation and/or replacement. Because of the configuration of the pipes within the filtration system, the entire filtration system must be taken out of service to replace the filters. The WTP is the City's sole water treatment facility, so an extended outage of the WTP is not feasible if the Water System is to continue to operate. Accordingly, the City intends to construct two new filters that can function while the existing filters are out of service, and the City may buy up to two million gallons of treated water per day from the City's wholesale supplier (Contra Costa Water District) if treatment capacity at the WTP is limited while the filter gallery replacement and rehabilitation project is ongoing. Although treated water supplies are more expensive than untreated water, the City does not expect the purchase of treated water to have a significant effect on Water System Net Revenues because Operation and Maintenance Costs (in particular, water treatment costs) would be reduced.

The City intends to incur study, design, engineering, planning and construction costs associated with the filter gallery replacement and rehabilitation beginning in mid-2022 at a total cost of approximately \$46,000,000. The filter gallery replacement and rehabilitation is expected to be completed in or about 2025 and is a high priority project because a water hammer backwash in summer 2021 caused a temporary break in the treatment system and disrupted treated water operations affecting the City.

The foregoing project is referred to herein as the "**2022 Project.**"

The District intends to apply a portion of the proceeds of the Bonds to pay for the costs of the 2022 Project. The City intends to apply proceeds of the Bonds to pay for the costs of the 2022 Project. The City expects to comply with all governmental approval, environmental review, public bidding and other permitting requirements for each component of the 2022 Project as required by law, and to complete the 2022 Project by late 2025.

Pursuant to the Installment Purchase Agreement, the City may substitute or add additional projects to the 2022 Project. See Appendix B under the caption "INSTALLMENT PURCHASE AGREEMENT—ACQUISITION OF 2022 PROJECT—Changes to the 2022 Project."

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Bonds:

Sources⁽¹⁾

Principal Amount of Bonds	\$
Plus/Less Net Original Issue Premium/Discount	
Total Sources	\$

Uses⁽¹⁾

Acquisition Fund	\$
Costs of Issuance ⁽²⁾	
Total Uses	\$

(1) Amounts rounded to the nearest dollar. Totals may not add due to rounding.

(2) Includes certain legal, municipal advisory, financing, rating agency and Trustee fees, Underwriter's discount, premium for the Policy and printing costs.

THE BONDS

General Provisions

The Bonds will bear interest from and be dated the date of initial issuance, and will be payable upon maturity on the dates set forth on the inside front cover page hereof. Interest on the Bonds will be payable on August 1, 2022 and each February 1 and August 1 thereafter. Interest will be calculated at the rates set forth on the inside front cover page hereof on the basis of a year of 360 days comprised of twelve 30 day months.

The Bonds will be delivered only in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 or any integral multiple thereof. See the caption “—Book-Entry Only System” and Appendix D.

In the event that the book-entry only system that is described below is discontinued, the principal of and interest on any Bond will be payable by check or draft of the Trustee upon presentation and surrender thereof at maturity or upon prior redemption at the Office of the Trustee in San Francisco, California. Such principal and interest will be payable in lawful money of the United States of America.

Book-Entry Only System

One fully-registered Bond will be issued for each maturity of the Bonds in the principal amount of the Bonds of such maturity. Each such Bond will be registered in the name of Cede & Co. and will be deposited with DTC. As long as the ownership of the Bonds is registered in the name of Cede & Co., the term “Owner” as used in this Official Statement will refer to Cede & Co. and not to the actual purchasers of the Bonds (the “Beneficial Owners”).

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer.

The Authority cannot and does not give any assurances that DTC participants or others will distribute payments with respect to the Bonds received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis. See Appendix D for additional information concerning DTC.

Transfers and Exchanges Upon Termination of Book-Entry Only System

In the event that the book-entry system that is described above is discontinued, the Bonds will be printed and delivered as provided in the Indenture. Thereafter, any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond at the Office of the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee is not required to register the transfer of any Bond during the period in which the Trustee is selecting Bonds for redemption and any Bond that has been selected for redemption.

Whenever any Bond is surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver a new Bond or Bonds of authorized denomination or denominations for a like series and aggregate principal amount of the same maturity and series. The Trustee will require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. Following any transfer of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor will provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Internal Revenue Code of 1986, as amended (the “Code”). The Trustee shall conclusively rely on the information provided to it and has no responsibility to verify or ensure the accuracy of such information.

Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee is not required to exchange any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption. The Trustee will require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. Following any exchange of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Redemption

Optional Redemption. The Bonds with stated maturities on or after August 1, 20__, are subject to redemption prior to their respective stated maturities, as a whole or in part as directed by the Authority in a Request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within each maturity in integral multiples of \$5,000, on ____ 1, 20__ or any date thereafter at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds with stated maturities on August 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on August 1, 20__ and each August 1 thereafter, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Redemption Date (August 1)</i>	<i>Principal Amount</i>
20__	\$
*	

* Maturity.

If some but not all of the Bonds maturing on August 1, 20__ are redeemed as described under the subcaption “—Optional Redemption,” the principal amount of the applicable Bonds to be redeemed pursuant to the Indenture on any subsequent August 1 will be reduced, by \$5,000 or an integral multiple thereof, as designated by the Authority in a Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of such reductions may not exceed the aggregate amount of the applicable Bonds redeemed.

Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same series, interest rate and maturity.

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee will select the Bonds for redemption as a whole or in part on any date as directed by the Authority and by lot within each maturity in integral multiples of \$5,000 in accordance with the Indenture. The Trustee will promptly notify the Authority in writing of the numbers of the Bonds or portions thereof so selected for redemption.

Notice of Redemption

Notice of redemption will be mailed by first class mail not less than 20 days nor more than 60 days before any Redemption Date, to the respective Owners of any Bonds that are designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services. Each notice of redemption will state the date of notice, the redemption date, the place or places of redemption and the Redemption Price, and will designate the maturities, CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on the redemption date there will become due and payable on each of said Bonds or parts thereof that are designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with, interest accrued thereon to the redemption date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such redemption date interest thereon will cease to accrue, and will require that such Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any Bond. Notice of redemption of Bonds will be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys have not been so received, said notice will be of no force and effect and the Trustee will

not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Effect of Redemption

Notice of redemption having been duly given as described above under the caption “—Notice of Redemption,” and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption will become due and payable, interest on the Bonds so called for redemption will cease to accrue, said Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof. The Trustee will, upon surrender for payment of any of the Bonds to be redeemed on their Redemption Dates, pay such Bonds at the Redemption Price. All Bonds redeemed pursuant to the provisions of the Indenture will be canceled upon surrender thereof.

DEBT SERVICE SCHEDULE

Set forth below is a schedule of payments on outstanding Parity Bonds and Contracts as well as the Series 2022 Installment Payments for each annual period ending on June 30 in the years indicated. The below table assumes that there are no optional redemptions of the Bonds.

<i>Period Ending June 30</i>	<i>Parity Bonds and Contracts⁽¹⁾</i>	<i>Series 2022 Installment Payments</i>			<i>Total Debt Service</i>
		<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
2022	\$[NHA OR PSC TO PROVIDE]	\$	\$	\$	\$
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
TOTAL		\$	\$	\$	\$

⁽¹⁾ Reflects payments under the 2016 Bonds and 2014 ISA. See the caption “THE CITY—Outstanding Parity Obligations.” Source: Underwriter.

SECURITY FOR THE BONDS

General

Each Bond is a special limited obligation of the Authority payable solely from Authority Revenues, which consist of Series 2022 Installment Payments to be made by the City under the Installment Purchase

Agreement and certain other funds and accounts established pursuant to the Indenture. NEITHER THE FULL FAITH AND CREDIT NOR ANY OTHER REVENUES OR FUNDS OF THE AUTHORITY ARE PLEDGED TO OR AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS. THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

The Authority has assigned substantially all of its right, title and interest in the Installment Purchase Agreement to the Trustee pursuant to the Indenture, for the benefit of the Owners of the Bonds, including its right to receive Series 2022 Installment Payments and its rights as may be necessary to enforce payment of the Series 2022 Installment Payments when due.

Series 2022 Installment Payments Payable From Net Revenues

All of the Authority Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture (except the Rebate Fund) have been irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the Bonds in accordance with their terms and the provisions of the Indenture. Such pledge constitutes a lien on and security interest in such amounts and will attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act, and will be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice hereof.

The obligation of the City to make the Series 2022 Installment Payments is payable solely from Net Revenues of the City's Water System, which consist of Revenues of the City's Water System remaining after the payment of Operation and Maintenance Costs of the City's Water System. All Revenues (as such term is defined below) of the City's Water System, other amounts that are on deposit in the Revenue Fund and any other amounts (including proceeds of the sale of the Bonds) which are held in any fund or account that is established pursuant to the Installment Purchase Agreement (including the Rate Stabilization Fund) have been irrevocably pledged to the payment of the Series 2022 Installment Payments as provided in the Installment Purchase Agreement.

The Revenues will not be used for any other purpose while any of the Series 2022 Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement, including but not limited to the payment of Operation and Maintenance Costs of the Water System. Such pledge, together with the pledge created by all other Bonds and Contracts (as such terms are defined in Appendix B under the caption "INSTALLMENT PURCHASE AGREEMENT—Definitions" and referred to in the forepart of this Official Statement as "**Parity Bonds and Contracts**" or "**Parity Bonds or Contracts**," as applicable), constitutes a first lien on Revenues and, subject to application of Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, the Revenue Fund, the Rate Stabilization Fund and other funds and accounts created thereunder for the payment of the Series 2022 Installment Payments and all other Parity Bonds and Contracts in accordance with the terms thereof and of the Indenture.

The term "**Revenues**" means all income, rents, rates, fees, charges and other moneys derived from the ownership of or operation of the Water System, including, without limiting the generality of the foregoing: (1) all in lieu charges (including investment earnings thereon) collected by or on behalf of the City; (2) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the City from the sale, furnishing and supplying of the water or other services, facilities and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System; (3) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, proceeds or

other moneys, including City reserves; and (4) deposits to the Revenue Fund from amounts on deposit in the Rate Stabilization Fund in accordance with the Installment Purchase Agreement; but excluding in all cases: (w) any Revenues transferred from the Revenue Fund to the Rate Stabilization Fund in accordance with the Installment Purchase Agreement; (x) all amounts reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program), to the extent that such amounts have been or will be deducted from the calculation of Debt Service; (y) customers' deposits or any other deposits or advances that are subject to refund until such deposits or advances have become the property of the City; and (z) proceeds of taxes or benefit assessments restricted by law to be used by the City to pay amounts due on bonds or other obligations later incurred.

The term "**Operation and Maintenance Costs**" means: (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with generally accepted accounting principles applicable to governmental agencies, including, but not limited to, the reasonable expenses of management and repair and other expenses that are necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the City that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the City or charges (other than debt service payments) required to be paid by it to comply with the terms of the 2022 Bonds or of this Installment Purchase Agreement or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (2) all payments under any contract for the purchase of water; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

Notwithstanding anything contained in the Installment Purchase Agreement, the City is not required to advance any moneys derived from any source of income other than the Revenues, the Revenue Fund and the Rate Stabilization for the payment of amounts due under the Installment Purchase Agreement or for the performance of any agreements or covenants that are required to be performed by it contained therein. The City may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the City for such purpose.

THE OBLIGATION OF THE CITY TO MAKE SERIES 2022 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO MAKE THE SERIES 2022 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM NET REVENUES OF THE CITY'S WATER SYSTEM AND DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Rate Covenant

Covenant under Installment Purchase Agreement. Under the Installment Purchase Agreement, the City will, to the fullest extent permitted by law, fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service which are reasonably expected, at the commencement of each Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 125% of the Debt Service in such Fiscal Year. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but may not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the foregoing requirements.

So long as the City has complied with its obligations set forth in the preceding paragraph, the failure of Net Revenues to meet the threshold set forth the preceding paragraph will not constitute a default or an Event of Default under the Installment Purchase Agreement or the Indenture.

Covenant under 2016 Bonds. So long as the 2016 Bonds are outstanding, the City will also comply with the following provisions thereof relating to the setting of rates and charges:

(a) The City will fix, prescribe, revise and collect fees, tolls, assessments, rates and charges prescribed by the City Council for the services and facilities of the Water System furnished by the City for the Water System during each Fiscal Year which are at least sufficient, after making allowances for contingencies and error in the estimates, to produce Revenues (excluding connection fees and transfers to the Water Enterprise Fund from the Rate Stabilization Fund) which will be sufficient to pay the following amounts: (i) all Operation and Maintenance Costs of the Water System estimated by the City to become due and payable in such Fiscal Year; (ii) the Debt Service on the 2016 Bonds; (iii) all other payments required for compliance with the indenture pursuant to which the 2016 Bonds were issued (the “**2016 Indenture**”), the 2014 ISA, the Installment Purchase Agreement and other documents relating to the issuance of Parity Bonds and Contracts, if any; and (iv) all payments required to meet any other obligations of the City which are charges, liens, encumbrances upon or payable from the Revenues or Net Revenues of the Water System on a senior basis to the 2016 Bonds or on a parity basis to the 2016 Bonds.

(b) In addition, the City will fix, prescribe, revise and collect fees, tolls, assessments, rates and charges prescribed by the City Council for the services and facilities of the Water System furnished by the City for the Water System during each Fiscal Year which are sufficient to yield Net Revenues (including, for clarity, connection fees and transfers into the Water Enterprise Fund from the Rate Stabilization Fund in such Fiscal Year (after deducting amounts transferred into the Rate Stabilization Fund from Revenues received by the City in such Fiscal Year)) at least equal to 125% of the amounts payable under the preceding clause (a)(ii) in such Fiscal Year. For purposes of the foregoing, the amount of Net Revenues for a Fiscal Year will be computed on the basis that any transfers into the Water Enterprise Fund in such Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (except to the extent of amounts transferred into the Rate Stabilization Fund from Revenues received by the City in such Fiscal Year), as provided in the 2016 Indenture.

Covenant under 2014 ISA. So long as the 2016 Bonds are outstanding, the City will also comply with the following provisions thereof relating to the setting of rates and charges:

(a) The City will fix, charge and collect, or cause to be fixed, charged and collected, in each Fiscal Year, such rates, fees and charges for the use of and for the service furnished by the Water System so that Net Revenues realized are in an amount which will be sufficient to be at least equal to 125% of annual Debt Service, and at least equal to 100% of the sum of annual Debt Service and annual debt service on subordinate debt for such Fiscal Year.

(b) If for any reason Net Revenues prove insufficient to comply with the requirements of clause (a), the City first will take all actions necessary to increase Revenues through any combination of increased rents, rates, fees or charges and decreased costs and that it will do so not later than 180 days following the date on which Net Revenues first fail to meet the foregoing requirements. The City may make adjustments from time to time in such rents, rates, fees or charges and may make such classification thereof as it deems necessary, but may not reduce the rents, rates, fees or charges then in effect unless the Net Revenues from such reduced rents, rates, fees and charges will at all times be sufficient to meet the foregoing requirements.

No Reserve Fund

No debt service reserve fund or account has been established under the Indenture or the Installment Purchase Agreement in connection with the issuance of the Bonds.

Rate Stabilization Fund

There has established with the City a fund to be known as the “Rate Stabilization Fund.” The City has agreed and covenanted in the Installment Purchase Agreement to maintain, so long as any Bonds remain outstanding, the Rate Stabilization Fund. There will be \$[0] on deposit in the Rate Stabilization Fund as of the date of the initial issuance of the Bonds. The City may withdraw and deposit amounts therein from time to time in its sole discretion.

Amounts in the Rate Stabilization Fund will be disbursed, allocated and applied by the City solely to the uses and purposes described in the Installment Purchase Agreement, and will be accounted for separately and apart from all other accounts, funds, money or other resources of the City.

The Rate Stabilization Fund and all amounts on deposit therein have been irrevocably pledged to the payment of the Bonds and Parity Bonds and Contracts as provided in the Installment Purchase Agreement; provided that amounts on deposit in the Rate Stabilization Fund may be apportioned for such purposes as are expressly permitted therein. The foregoing pledge constitutes a first lien on amounts on deposit in the Rate Stabilization Fund for the payment of Contracts and Bonds in accordance with the terms of the Installment Purchase Agreement.

The City may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund from time to time and transfer such amounts to the Revenue Fund for application in accordance with the Installment Purchase Agreement. Amounts transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the Installment Purchase Agreement during or within 270 days after the end of a Fiscal Year may be taken into account as Revenues for purposes of the calculations under the additional debt test or the rate covenant in such Fiscal Year to the extent provided in the definition of “Revenues.” See the captions “—Rate Covenant” and “—Additional Parity Bonds and Contracts.”

Additional Parity Bonds and Contracts

Covenant under Installment Purchase Agreement. The City may at any time issue or execute, as applicable, any Parity Bonds or Contracts, as the case may be, in accordance herewith; provided that:

(a) The Net Revenues for either the most recent audited Fiscal Year or a consecutive 12 month period within the 18 months preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Parity Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the City, produce a sum equal to at least 125% of the Debt Service for such Fiscal Year or consecutive 12 month period; and

(b) The Net Revenues for either the most recent audited Fiscal Year or a consecutive 12 month period within the 18 months preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Parity Bonds or the date of the execution of such Contract, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year or consecutive 12 month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the City, produce a sum equal to at least 125% of: (i) the Debt Service for such Fiscal Year or consecutive 12 month period; plus (ii) the Debt Service which would have accrued on any then-outstanding Parity Bonds which were issued or any then-outstanding Contracts which were executed since the end of such audited Fiscal Year or consecutive 12 month period, assuming that such Parity Bonds or Contracts had been issued or executed, as applicable, on the first day of such audited Fiscal Year or consecutive 12 month period; plus (iii) the Debt Service which would have accrued on the proposed additional Parity Bonds or the proposed

additional Contract, assuming that such proposed additional Parity Bonds or proposed additional Contract had been issued or executed, as applicable, on the first day of such audited Fiscal Year or consecutive 12 month period.

Notwithstanding the foregoing, Parity Bonds issued or Contracts executed to refund outstanding Parity Bonds or to prepay outstanding Contracts may be delivered without satisfying the conditions set forth above if total Debt Service after such Parity Bonds are issued or Contracts executed is not greater than the total Debt Service which would have been payable prior to the issuance of such Parity Bonds or execution of such Contracts.

Covenant under 2016 Bonds. So long as the 2016 Bonds are outstanding, the City will also comply with the following provisions thereof relating to the entry into additional Parity Bonds or Contracts:

(a) The City must be in compliance with all covenants set forth in the 2016 Indenture.

(b) The Net Revenues of the Water System, calculated on generally accepted accounting principles, as shown by the books of the City for the latest Fiscal Year or any more recent 12 month period selected by the City ending not more than 60 days prior to the approval of the instrument pursuant to which the Parity Bonds are issued or the Contract is entered into, as shown by the books of the City, plus, at the option of the City, any or all of the items that are described in clauses (i) and (ii) below, at least equal 125% of Maximum Annual Debt Service (as such term is defined in the 2016 Indenture), with Maximum Annual Debt Service calculated on all Parity Bonds to be Outstanding immediately subsequent to the issuance of such Bonds or Contracts which have a lien on Net Revenues of the Water System. The items any or all of which may be added to such Net Revenues for the purpose of issuing or incurring Parity Bonds or Contracts under the 2016 Indenture are the following:

(i) An allowance for Net Revenues from any additions to or improvements or extensions of the Water System to be made with the proceeds of such Parity Bonds or Contracts, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of such Fiscal Year or such 12 month period, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36 month period in which each addition, improvement or extension is respectively to be in operation, all as shown in the written report of an Independent Certified Public Accountant or an Independent Financial Consultant engaged by the City; and

(ii) An allowance for Revenues projected to arise from any increase in rates and charges which has been approved by the City Council prior to the incurring of such additional Parity Bonds or Contracts but which, during all or any part of such Fiscal Year or such 12 month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates and charges had been in effect during the whole of such Fiscal Year or such 12 month period, all as shown in the written report of an Independent Financial Consultant engaged by the City. For the avoidance of doubt, a rate or charge will be considered to have been approved by the City Council and may be considered in the calculation of the allowance described in the previous sentence if it is part of a multi-year rate increase that has been approved by the City Council, even if the specific rate or charge will not take effect until a subsequent Fiscal Year.

(c) The instrument providing for the issuance of such Parity Bonds or Contracts under the 2016 Indenture must:

(i) Provide that the proceeds of such Parity Bonds or Contracts will be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Water System, or otherwise for facilities, improvements or property which the City determines are of benefit to the Water System, or for the purpose of refunding any Parity Bonds

or Contracts in whole or in part, including all costs (including costs of issuing such Parity Bonds or Contracts and including capitalized interest on such Parity Bonds or Contracts during any period which the City deems necessary or advisable) relating thereto;

and (ii) specify the date on which interest on such Parity Bonds or Contracts will be payable;

(iii) specify the date on which principal on such Parity Bonds or Contracts will be payable.

(d) Notwithstanding the foregoing, Parity Bonds or Contracts proposed to be issued for the purpose of refunding any Parity Bonds or Contracts may be issued without compliance with clauses (b) and (c)(i), so long as such refunding results in lower Debt Service in each Fiscal Year after such refunding and the final maturity (or termination) date of the refunding Parity Bonds or Contracts is no later than the final maturity (or termination) date of the refunded Parity Bonds or Contracts.

Covenant under 2014 ISA. So long as the 2014 ISA is outstanding, the City will also comply with the following provisions thereof relating to the entry into additional Parity Bonds or Contracts:

(a) The City may issue or incur Parity Bonds or Contracts in such principal amount as determined by the City subject to the following specific conditions, which have been made conditions precedent to the City's issuance and delivery of such Parity Bonds or Contracts, provided that to the extent that an existing Parity Bond or Contract conflicts with any of the below requirements, the more restrictive provision will prevail:

(i) No Event of Default under the 2014 ISA or under any other instrument secured by Revenues has occurred and is continuing, and the City is otherwise in compliance with all covenants set forth in the 2014 ISA; and

(ii) The City will cause an Independent Certified Public Accountant or Independent Financial Consultant to deliver a report certifying that Net Revenues calculated on generally accepted accounting principles, and excluding any balances in any fund (other than the Rate Stabilization Fund) at the beginning of the period of the computation, as shown by the books of the City for the latest Fiscal Year, or any more recent twelve month period selected by the City ending not more than 30 days prior to the adoption of the resolution pursuant to which instrument such Parity Bond or Contract is issued or incurred, as shown by the books of the City, plus, at the option of the City, either or both of the items below designated in clauses (b)(i) and (b)(ii), amount to at least 1.25 times the Maximum Annual Debt Service (as such term is defined in the 2014 ISA) taking into consideration the maximum annual debt service payable in any Fiscal Year on the proposed Parity Bonds or Contract.

(b) Either or both of the following allowances may be added to Net Revenues for the purpose of meeting the condition contained in clause (a)(2) above:

(i) An allowance for increased Revenues from any additions to or improvements or extensions of the Water System to be made with the proceeds of such proposed Parity Bonds or Contracts, and also for Revenues from any such additions, improvements or extensions which have been made from moneys from any source but which, during all or any part of such Fiscal Year or any more recent twelve month period, were not in service, all in an amount equal to 90% of the estimated additional average annual Revenues to be derived from such additions, improvements, and extensions for the first 36-month period following closing of the proposed Parity Bonds or Contract, all as shown in the Report of an Independent Certified Public Accountant or Independent Financial Consultant; and/or

(ii) An allowance for increased Revenues arising from any increase in the charges made for service from the Water System which has become effective prior to the incurring of such proposed Parity Bonds or Contract but which, during all or any part of such Fiscal Year or any more recent 12-month period, was not in effect in an amount equal to 100% of the amount by which Revenues would have been increased if such increase to charges had been in effect during the whole of such time period and any period prior to the incurring of such proposed Parity Bonds or Contract, as shown in the Report of an Independent Certified Public Accountant or Independent Financial Consultant.

(c) For purposes of making the calculations set forth in clause (a)(2): (i) if any Parity Debt includes capital appreciation bonds, then the accreted value payment thereof will be deemed a principal payment and interest that is compounded and paid as accreted value will be deemed due on the scheduled redemption or payment date of such capital appreciation bond; and (ii) if any Parity Debt includes interest payable pursuant to a variable interest rate formula, the variable interest rate portion of such Parity Debt for periods when the actual interest rate cannot yet be determined will be assumed to be the maximum interest rate under the Parity Debt.

(d) The City will deliver prior incurring or issuing to such proposed Parity Bonds or Contract a copy of the proposed Parity Bonds or Contract and a certificate of the City certifying that the conditions precedent to the issuance of such Parity Bonds or Contract set forth in clauses (a) and (b) above have been satisfied and, as applicable, the report required by clauses (a) and (b) above has been delivered.

(e) Notwithstanding clauses (a)(ii), (b), (c) and (d) above, proposed Parity Bonds or Contracts to be issued for the purpose of refunding outstanding Parity Bond or Contracts may be issued without compliance with clauses (a)(ii), (b), (c) and (d) above, so long as such refunding results in lower Debt Service in each Fiscal Year after such refunding and the final maturity date of the refunding Parity Bonds or Contract is no later than the final maturity date of the refunded Parity Bonds or Contract.

BOND INSURANCE

The information under this caption has been prepared by the Insurer for inclusion in this Official Statement. None of the Authority, the City or the Underwriter has reviewed this information, nor do the Authority, the City or the Underwriter make any representation with respect to the accuracy or completeness thereof. The following information is not a complete summary of the terms of the Policy (as such term is defined below) and reference is made to Appendix F for a specimen of the Policy.

[TO COME FROM INSURER]

THE CITY

General

The City is located in north central Contra Costa County (the “**County**”), approximately 40 miles northeast of San Francisco. The City had a population of approximately 74,498 as of January 1, 2021 and covers approximately 19 square miles. The City was founded in 1849 and incorporated in 1980 as a general law city operating under a council/manager form of government. Land use in the City is primarily residential, with areas of commercial and industrial development. See the caption “—Land Use and Service Area.”

The City provides police protection, street construction and maintenance, housing and planning and building services, as well as parks and recreational programs and water, wastewater and stormwater service. The City contracts with the Contra Costa County Fire Protection District for fire protection services. The City has a large industrial and port complex on Suisun Bay and is accessible by water from the Pacific Ocean.

As of spring 2022, the City supplies potable water to approximately: (i) 17,588 single family residential customers; (ii) 545 multi-family residential and senior customers; (iii) 597 commercial customers; and (iv) 528 industrial, government, irrigation, institutional and other customers. All water connections are metered.

The City has two sources of water: (i) untreated water that is imported from the Contra Costa Water District (“CCWD”), which has a contract to obtain Central Valley Project (“CVP”) water from the United States Bureau of Reclamation (“USBK”); and (ii) untreated groundwater that is extracted from two City-owned wells in the Pittsburg Plain Groundwater Basin (the “Basin”). See the caption “THE WATER SYSTEM—Water Supply” for a detailed description of the City’s various water sources.

Both of the City’s water sources consist of untreated water. Accordingly, all of the City’s water supply must be treated prior to delivery to customers. The City’s water treatment facility, the WTP, has a permitted capacity of 28 million gallons per day (“mgd”) and was originally constructed in 1953. See the caption “THE WATER SYSTEM—Pittsburg Water Treatment Plant” for a description of the WTP and the caption “THE 2022 PROJECT” for a description of planned upgrades to the WTP that are being financed from proceeds of the Bonds.

In addition to the WTP, the Water System includes 7 pump stations, 8 drinking water storage reservoirs with a cumulative storage capacity of approximately 19 million gallons, 229 miles of water mains, 3,600 distribution system valves and 1,300 fire hydrants.

Land Use and Service Area

The City provides retail water service to a service area that is roughly contiguous with City limits, with the exception of a small area that is served by a private water company. The City is located in the East Bay area of the San Francisco Bay region, approximately 40 miles northeast of San Francisco and 70 miles southwest of Sacramento, at the western end of the Sacramento-San Joaquin River Delta (the “Delta”), along the southern bank of a water body known as Suisun Bay. Suisun Bay flows into the San Pablo Bay northeast of San Francisco and the City therefore has water access to the Pacific Ocean.

Land use in the City is predominantly residential, although the City also has a large industrial and port complex along Suisun Bay. The City is located directly north of Mt. Diablo State Park, a 20,000 acre state park that features, hiking, bicycling and equestrian trails and camping, picnic and day use facilities, as well as the 3,849 foot Mt. Diablo, which is visible from much of the San Francisco Bay region.

The City expects the development of approximately 8,000 additional residential units in the City in the next 20 years, some of which are currently under construction. The City expects its population to be approximately 103,000 at full buildout in approximately 2040. New residents and businesses in the Water System service area are required to connect to the Water System.

Seismic Considerations

The City is located in a seismically active region. Significant faults include the San Andreas, Calaveras and Hayward faults. There is potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land along fault lines may be subject to liquefaction during the occurrence of such an event. In the event of a severe earthquake, there may be significant damage to both property and infrastructure within the City, including the Water System. The City has an emergency operations center that would be activated under such circumstances.

Newer Water System facilities are designed to withstand earthquakes with minimal damage, as earthquake loads are taken into consideration in the design of project structures. The City has also undertaken a vulnerability assessment of critical Water System facilities. The vulnerability assessment ranks Water

System infrastructure by importance, builds redundancy into existing operations and includes contingency plans in the event of damage to City assets and succession plans for critical staff. The impact of lesser magnitude events is expected by the City to be temporary, localized and repairable. The Water System has never sustained major damage to its facilities or experienced extended incidences of service interruptions as a result of seismic disturbances.

The City does not maintain earthquake insurance on Water System facilities. See the captions “—City Insurance” and “CERTAIN RISKS TO BONDHOLDERS—Natural Disasters.” However, CCWD is a participant in a regional intertie to provide an emergency source of water supply in the event of a natural disaster that damages or disrupts the transmission and distribution networks. See the caption “THE WATER SYSTEM—General.”

Governance and Management

General. The City operates under a council/manager form of government. Councilmembers and the Mayor are elected at large. The City Manager, appointed by the City Council, serves as the City’s chief administrative officer and is responsible for overseeing the daily operations of City departments and efficient management of all City business. Functions of the City Manager’s Office include coordination of the implementation of City Council policies and programs; providing overall direction to the departments that administer City programs and services; coordinating intergovernmental relations and legislative advocacy; and administration of the City’s communications, media relations and public information programs.

Garrett Evans has 25 years of local government experience and has served as the City Manager since February 2019. Prior to his appointment as City Manager, Mr. Evans served as the City’s Assistant City Manager, as Director of the City’s Economic and Redevelopment Departments and as General Manager of the Pittsburg Power Company, a City-owned energy utility. Mr. Evans has a Bachelor’s degree in Psychology from Arizona State University and a Master’s degree in Public Administration from the University of Southern California.

Other key personnel responsible for management of the Water System include the elected City Treasurer, the Finance Director and the Public Works Director. In addition, the City Attorney provides legal services to the City and the Authority.

Nancy Parent was elected City Treasurer in 2018 and is currently serving her second term as Treasurer. Her responsibility is review, approval, audit and examination of all investments made by the City. She previously served as a City Council member. Ms. Parent has a Bachelor’s degree in Political Science from the University of California, Berkeley, and a Juris Doctorate degree from the University of California, Hastings College of Law.

Paul Rodrigues has 20 years of local government experience and has served as the City’s Finance Director since June 2021. Prior to coming to the City, Mr. Rodrigues served as the Finance Director for the City of Clayton, California. Prior experience includes serving as the Finance Director for the Cities of Fortuna and Eureka, as well as the Finance Manager of Humboldt Community Services District. Mr. Rodrigues has a Bachelor’s degree in Business Administration/Accounting from Humboldt State University and is a member of the Government Finance Officers Association. Mr. Rodrigues is a Certified Public Accountant and has been licensed by the State of California since 1989.

Dick Abono has over 20 years of local government experience and has served as the City’s Public Works Director/City Engineer since September 2020. Mr. Abono has been with the City since 2001 and previously served as the City Engineer and, before that, a Senior Civil Engineer. Mr. Abono has a Bachelor’s degree in Engineering from California Polytechnic State University, San Luis Obispo, and is a Registered Professional Engineer in the State of California.

Donna Mooney, Esq., has 21 years of local government experience and has been City Attorney of the City of Pittsburg since September 2018. Ms. Mooney has a Bachelor's degree in Journalism from the University of Washington, a Master's Degree in International Affairs from Golden Gate University and a Juris Doctorate degree from the University of California, Hastings College of the Law.

Management Policies. The City has adopted several policies which are designed to ensure the prudent and effective management of City operations, including a Debt Management Policy, an Investment Policy and a General Fund Reserve Policy and a Capital Asset Policy. Further information about these policies is set forth below.

Debt Management Policy. The City has adopted a Debt Management Policy in accordance with California Government Code Section 8855 to establish guidelines and parameters for the effective governance, management and administration of debt issued by the City and its related entities and to ensure compliance with legislation, statutes and laws that place regulations on local agency debt. The following elements have been incorporated into this policy:

- The purposes for which debt may be incurred;
- The types of debt that may be issued;
- The relationship of the debt to, and integration with, the City's capital improvement program or budget;
- Policy goals related to the City's planning goals and objectives; and
- Debt management practices, including arbitrage rebate and continuing disclosure compliance procedures.

Investment Policy. The City invests its funds in accordance with the City's investment policy (the "**Investment Policy**"), which is reviewed and updated by the City annually. The Investment Policy: (a) describes the policies and procedures to be utilized in the City's investment management system; (b) establishes guidelines for the prudent investment of the City's funds; and (c) lists and describes suitable investments. The goals of the City's investment policy and investment management function are compliance with law, enhancement of the economic status of the City and protection of the City's funds by limiting credit and market risks.

In accordance with Section 53600 *et seq.* of the California Government Code, idle cash management and investment transactions are the responsibility of the City Treasurer. Eligible investments are generally limited to the Local Agency Investment Fund which is operated by the California State Treasurer, the California Asset Management Program, money market mutual funds (limited to funds in the three highest rating categories), medium-term corporate notes (limited to 5-year maximum maturities), United States Treasury bills, notes and bonds (limited to 5-year maximum maturities), obligations issued by the State (limited to 5-year maximum maturities and a rating of A- or higher), guaranteed investment agreements, repurchase agreement (limited to 90-day maximum maturities and a rating of A or higher), obligations issued by municipalities and United States Government agencies (limited to obligations rated AAA), FDIC-insured or negotiable certificates of deposit (limited to 1-year maximum maturities and a rating of A or higher), banker's acceptances (limited to 180-day maximum maturities and a rating of A1/P1 or higher) and commercial paper (limited to 270-day maximum maturities and a rating of A1/P1/F1 or higher). Funds are invested in the following order of priority:

- Safety of Principal;
- Liquidity; and
- Return on Investment.

The Treasurer is required to provide a quarterly report to the City Council showing the type of investment, date of maturity, amount invested, current market value, rate of interest and other such information as may be requested by the City Council for each City investment.

Approximately \$33,797,265 (17.12%) of the City’s total investment portfolio as of June 30, 2021 was attributed to the Water Enterprise Fund. See the caption “WATER SYSTEM FINANCIAL INFORMATION—Available Cash.”

Reserve Policy. The City Council has adopted a Fiscal Sustainability Ordinance (the “**Reserve Policy**”) that is intended to ensure consistent, uninterrupted municipal services and facilities in the wake of potential risk events, such as a major economic downturn or natural disaster (e.g., wildfires, storms or earthquakes) and to protect the City’s credit quality and reduce its cost of borrowing.

Under the Reserve Policy, the City seeks to maintain General Fund reserves in an amount that is equivalent to 30% of budgeted annual General Fund operating expenditures, including: (i) a reserve for economic uncertainties (designed to serve as a hedge against swings in revenue from economic conditions, State actions and other adverse conditions) in an amount that is equivalent to 20% of budgeted annual General Fund operating expenditures; and (ii) a reserve for emergencies (designed to serve as a hedge against natural disasters, other public safety emergencies and unexpected infrastructure repairs and replacements) in an amount that is equivalent to 10% of budgeted annual General Fund operating expenditures.

The Reserve Policy also establishes a Budget Stabilization Fund to help the City absorb costs during an economic downturn and/or budget shortfall. The Budget Stabilization Fund has a target minimum funding level of the greater of: (i) \$2 million; or (ii) 5% of budgeted annual General Fund operating expenditures, and a target maximum funding level of the greater of: (i) \$7.5 million; or (ii) 25% of budgeted annual General Fund operating expenditures.

With respect to the Water System, the Reserve Policy also establishes: (i) an Infrastructure Repair and Replacement Fund to provide funding for capital improvement projects, into which deposits will be made when surplus revenues are available and the Budget Stabilization Fund maximum target (as described in the previous paragraph) has been achieved; (ii) an Other Post-Employment Benefits Fund to provide funding for unfunded post-employment benefits other than pensions, into which deposits will be made when surplus revenues are available and the Budget Stabilization Fund maximum target (as described in the previous paragraph) has been achieved; and (iii) an Unappropriated Reserve to provide funding in the event of an emergency such as a natural disaster; the target for the Unappropriated Reserve of the Water Utility Fund is 30% of such fund’s annual operating expenses, excluding capital project appropriations.

Each of the above-described reserves for which a minimum target level is established are currently funded at or above such minimum target level.

The City and the Authority note that General Fund reserves are neither pledged to nor available to pay the Series 2022 Installment Payments or the Bonds.

Capital Asset Policy. The City’s Capital Asset Policy defines the accounting practices and procedures that enable the City to achieve effective and accurate control of the capital assets of the City and ensures the City’s compliance with the requirements of the Governmental Accounting Standards Board (“**GASB**”) and Generally Accepted Accounting Principles (“**GAAP**”).

Employees

As of June 30, 2021, the City had 300 full-time equivalent employees, of which 27 worked exclusively for the Water System, 48 worked in the Public Works Department with responsibility for the Water System and other public works functions and 43 worked in general government services, including finance.

Certain employees who work on behalf of the Water System are represented by the American Federation of State, County and Municipal Employees and the Teamsters Local 856 (collectively, the

“Unions”). Relations between the City and the Unions are governed by memoranda of understanding that each expire on June 30, 2022. A total of approximately 10 management and confidential employees are exempt from collective bargaining. Salaries for exempt employees are set by the City Council. The City has never experienced a strike, slowdown or work stoppage.

Budget Process

The City prepares and adopts a balanced budget for each Fiscal Year which includes proposed expenditures and the means of financing such expenditures. The City’s budget cycle begins in or about December of each year with the mid-year review, a detailed analysis of all City revenues and expenditures during the current Fiscal Year. A mid-year report which contains actual and estimated numbers is published and distributed to the City Council, staff and the general public for consideration in February of each year. The mid-year report provides the financial starting point for the subsequent Fiscal Year’s operating budget.

Budget packets are distributed by the Finance Department to each City department in or about January of each year. Departments submit preliminary budget requests to the Finance Department in or about February and March. During this time all revenue sources are projected. Budget staff reviews departmental requests and compiles a preliminary budget. The requested budgets are then presented to senior management and the City Manager for review and approval.

Recommendations and revisions from review sessions are incorporated into the proposed operating budget. The City Council’s Finance Subcommittee reviews, makes revisions as necessary and recommends the proposed operating budget. The City Council then holds one or more public workshops to obtain input from the public. After giving due consideration to the public input, the City Council finalizes and adopts the budget by June 30 through the passage of a resolution.

The City Manager is authorized to transfer budgeted amounts between line items within a department or activity provided that the total appropriation does not exceed the budgeted amount. Most other budget amendments require authorization by the City Council. The City Manager and affected department heads are mutually responsible for controlling expenditures within budgeted appropriations.

The City Council adopted the budget for Fiscal Year 2022 on June 21, 2021.

City Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City is a member of the Municipal Pooling Authority of Northern California (the “MPA”), a joint powers authority that was founded in 1978 and is today is comprised of approximately 20 member agencies, primarily in the County. The MPA’s purpose is to arrange and administer programs for the pooling of self-insured losses and to purchase excess insurance from commercial insurers. Through the MPA, the City maintains the following coverages:

- Liability (general, automobile and professional: \$29,000,000 per occurrence, with a \$25,000 deductible);
- Workers Compensation (statutory limits, including employer’s liability of \$10,000,000 per occurrence);
- Property (\$800,000,000 pooled limit, with a \$25,000 deductible for scheduled City assets);
- Pollution Legal Liability (\$1,000,000 limit, with a \$100,000 deductible);
- Crime (\$5,000,000 limit, with a \$2,500 deductible);
- Vehicles (\$250,000 limit, with a \$2,000 deductible);
- Boiler and Machinery (\$100,000,000 limit, with a \$5,000 deductible); and
- Flood (\$25,000,000 limit, with a \$100,000 deductible).

Certain portions of the Water System, including pipelines that are not in the vicinity of the WTP, are not covered by the City's property insurance. In addition, the City does not maintain insurance coverage for earthquake damage to Water System facilities. See the caption "CERTAIN RISKS TO BONDHOLDERS—Natural Disasters."

No assurance can be given as to the adequacy of the insurance maintained now or in the future by the City to fund necessary repairs or replacement of any portion of the Water System, and the City does not have any obligation under the Installment Purchase Agreement to maintain earthquake coverage or other coverage in the current coverage amounts. Significant damage to the Water System could affect the City's ability to generate sufficient Net Revenues to pay the Bonds. See the caption "RISK FACTORS—Natural Disasters."

The City has not settled any claims that exceeded its insurance coverage in the past three years.

See Appendix B under the caption "INSTALLMENT PURCHASE AGREEMENT—COVENANTS OF THE CITY—Insurance" for a description of insurance coverages that are required to be maintained while the Bonds are outstanding.

Outstanding Parity Obligations

The City has no outstanding obligations which are payable from Net Revenues of the Water System on a senior basis to the Series 2022 Installment Payments. The City has the following two outstanding obligations which are payable from Net Revenues of the Water System on a parity with the Series 2022 Installment Payments:

2014 ISA. The City entered into the 2014 ISA to finance certain capital improvements to the Water System. The 2014 ISA, which bears interest at the rate of 3.51% per annum, was outstanding in the principal amount of \$9,667,649 as of June 30, 2021 and has a final maturity on August 1, 2044. The City is obligated to pay principal of and interest on the 2014 ISA from Net Revenues of the Water System on a parity with the obligation of the City to pay the 2022 Installment Payments.

2016 Bonds. The City issued the 2016 Bonds to refinance certain capital improvements to the Water System. The 2016 Bonds, which bear interest at rates ranging from 0.87% to 5.00% per annum, were outstanding in the aggregate principal amount of \$22,805,000 as of June 30, 2021 and have a final maturity on August 1, 2034. The City is obligated to pay principal of and interest on the 2021 Bonds from Net Revenues of the Water System on a parity with the obligation of the City to pay the 2022 Installment Payments.

The City is permitted to incur additional obligations that are payable from Net Revenues on a parity with the Series 2022 Installment Payments in the future upon satisfaction of the conditions that are described under the caption "SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts."

Financial Statements

A copy of the most recent audited financial statements of the City prepared Maze & Associates, Pleasant Hill, California (the "Auditor"), is set forth in Appendix A. The Auditor's letter dated December 22, 2021 is located at the beginning of the Financial Section therein.

The summary operating results that are contained under the caption "WATER SYSTEM FINANCIAL INFORMATION—Historical Operating Results and Debt Service Coverage" are derived from these financial statements and audited financial statements for prior Fiscal Years (excluding certain non-cash items and after certain other adjustments), and are qualified in their entirety by reference to such statements, including the notes thereto.

The City accounts for moneys received and expenses paid in accordance with GAAP. Generally, the City recognizes revenues and expenses on the full accrual basis of accounting, meaning that revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred, regardless of when the related cash flows take place. However, in certain cases, GAAP requires or permits moneys that are collected in one Fiscal Year to be recognized as revenue in a subsequent Fiscal Year and requires or permits expenses that are paid or incurred in one Fiscal Year to be recognized as expenses in a subsequent Fiscal Year. See Note 1 to the financial statements that are set forth in Appendix A. Except as otherwise expressly noted herein, all financial information that has been derived from the City's audited financial statements reflects the application of GAAP.

The Water Enterprise Fund of the City has a separate set of self-balancing accounts and is accounted for as a proprietary fund type (enterprise fund) using the economic resources measurement focus. In governmental accounting, enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges, or where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

COVID-19 Outbreak

The spread of the novel strains of coronavirus collectively called SARS-CoV-2, which cause the disease known as COVID-19 (“**COVID-19**”), and local, State and federal actions in response to COVID-19, have impacted the City's operations and finances. In response to the increasing number of COVID-19 infections and fatalities, health officials and experts recommended, and some governments mandated, a variety of responses ranging from travel bans and social distancing practices to complete shutdowns of certain services and facilities. The World Health Organization has declared the COVID-19 outbreak to be a pandemic and, on March 4, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, 2020, the President declared a national emergency, freeing up funding for federal assistance to state and local governments. The City also declared a local emergency on March 16, 2020 in response to the COVID-19 outbreak. Many school districts across the State temporarily closed some or all school campuses (including schools within the City) in response to local and State directives or guidance.

On March 19, 2020, the Governor issued Executive Order N-33-20, a mandatory Statewide shelter-in-place order applicable to all non-essential services. Certain aspects of the shelter-in-place directives were extended indefinitely until indicators for modifying the stay-at-home order were met. The County also declared a state of emergency in response to the COVID-19 outbreak. On May 4, 2020, the Governor issued an executive order informing local health jurisdictions and industry sectors that they could gradually re-open under new modifications and guidance provided by the State. A phased re-opening of various sectors was underway beginning mid-2020 in accordance with a four-stage re-opening plan that ended with a full reopening of the economy on June 15, 2021. Although pursuant to the re-opening plan certain restrictions on activities were eased, restrictions were also re-imposed in various jurisdictions as local conditions warranted, and such restrictions may be renewed as the pandemic continues.

On March 27, 2020, the President signed the \$2.2 trillion Coronavirus Aid, Relief, and Economic Stabilization Act (the “**CARES Act**”) which provided, among other measures, \$150 billion in financial aid to states, tribal governments and local governments to provide emergency assistance to those most significantly impacted by COVID-19. Under the CARES Act, local governments are eligible for reimbursement of certain costs which were expended to address the impacts of the pandemic. The City received a total reimbursement of \$917,651 (not including housing funds) under the CARES Act. The funds received by the City under the CARES Act are not available for payment of the Bonds and cannot be used to backfill any City revenue losses related to COVID-19.

On December 27, 2020, the President signed the \$900 billion Coronavirus Response and Relief Supplemental Appropriations Act. Although the act did not provide additional financial assistance to state and local governments, it did extend the deadline (to October 2021) for them to use unspent funds that were previously approved under the CARES Act.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (the “ARP Act”), a \$1.9 trillion economic stimulus package that was designed to help the United States’ economy recover from the adverse impacts of the COVID-19 pandemic. The ARP Act includes approximately \$350 billion in aid to state and local governments such as the City, consisting of both direct funding from the United States Department of Treasury and program moneys that will flow from other federal agencies. Half of the aid to state and local governments was distributed in spring 2021, with the other half following in 2022. The City has been allocated a total of approximately \$16.2 million under the ARP Act, of which approximately half was received in spring 2021. [UPDATE DEPENDING ON TIMING OF RECEIPT OF SECOND TRANCHE]. This funding is available for a broad range of uses, including responding directly to the health emergency, addressing its negative economic impacts with assistance to households and small businesses, restoring government services that were reduced in response to pandemic-related revenue losses and making certain necessary infrastructure improvements. The City has not yet determined how the ARP Act funds that it has received and expects to receive will ultimately be spent, but planning efforts are underway.

The effects of the COVID-19 outbreak and governmental actions responsive to it have altered the behavior of businesses and people in a manner that has had significant negative impacts on global and local economies. In addition, financial markets in the United States and globally have experienced significant volatility attributed to COVID-19 concerns. Volatility in the financial markets caused the California Public Employees Retirement System’s (“CalPERS”) earnings to fall below its investment targets in Fiscal Year 2020, which could result in increases in the City’s unfunded pension liability and future pension costs commencing in Fiscal Year 2023. See the caption “WATER SYSTEM FINANCIAL INFORMATION—Employee Benefits—Pension Obligations.” The outbreak resulted in increased pressure on State finances as budgetary resources were directed towards containing the pandemic and tax revenues sharply declined in early 2020. Identified cases of COVID-19 and deaths attributable to the COVID-19 outbreak continue to occur throughout the United States, including the County.

Impacts to the City associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges to the public health system in and around the City, cancellations of public events and disruption of the regional and local economy, with corresponding decreases in the City’s revenues, including as a result of reduced water use (particularly among commercial and hotel establishments).

In addition, the Governor suspended utility service shutoffs and the collection (although not the imposition) of late fees and penalties for residential customers (including Water System customers) through December 31, 2021. Pursuant to City Council direction, the City also: (i) waived (rather than simply deferred) late fees and penalties through August 2021; and (ii) extended the shutoff moratorium to commercial customers, neither of which measures was required by the Governor’s order. The imposition of late fees (although not yet their collection) resumed on July 1, 2021, and the shutoff and collection moratorium ended on December 31, 2021. As a result of the foregoing actions, the City has written off the collection of approximately \$90,000 in late fees for delinquent Water System accounts that would otherwise have accrued between March 18, 2020 and June 30, 2021. See the caption “THE WATER SYSTEM—Water System Collection Procedures.” Considering the continuing potential impacts of the pandemic, the City anticipates that its allowance for the write-off of uncollectible accounts for the period from July 1, 2021 through December 31, 2021 (when the shutoff moratorium ended) is approximately \$8,544, and that the full Fiscal Year 2022 write-off will be approximately \$50,000, representing less than 1% of projected Water System Revenues. Notwithstanding the aforementioned projected write-offs, the City reports that Fiscal Year 2020 and 2021 Water System revenues and expenses were not materially affected by the COVID-19 outbreak, and the City does not expect a material effect on Fiscal Year 2022 Water System revenues and expenses.

The City participated in the California Water and Wastewater Arrearage Payment Program (the “CWWAPP”), a State program that provided up to \$1 billion to water service providers to cover delinquencies by commercial and residential customers during the period between March 4, 2020 and June 15, 2021. CWWAPP funds were made available to cover potable water service charge delinquencies. The City received a payment of \$200,328 to cover water service arrearages under the CWWAPP. As a result, as of April 7, 2022, the current balance on all delinquent accounts (active accounts over 60 days past due) is \$6,200.

In response to the COVID-19 outbreak, the City declared a local emergency on March 16, 2020, designated the Water System as an essential service, modified its operations to implement remote work opportunities for employees and provide City services online, closed many City facilities to the public, cancelled many programs, rentals and community events, offered an early retirement incentive plan to employees, agreed to salary reductions with several senior staff members and deferred several non-essential capital improvement projects. In order to transition City employees to working from home, the City procured additional hardware, established secure access to City computer systems and remote access to City telephone systems and deployed tele-conferencing applications. The City also moved Water System employees to multiple locations in order to prevent large gatherings of personnel at any one time and maintain their health and the operations of the Water System. In addition, on-site personnel are wearing masks and practicing social distancing while working. With improvements in local case rates, the City has phased in the resumption of normal operations and activities while complying with public health orders and California Occupational Safety and Health Administration COVID-19 Prevention Plan mandates. Large gatherings of City personnel at any one time were prohibited for much of 2020 and early 2021 per health officer orders. City Council and other board meetings occurred via teleconference through March 2022, and public comment and participation for City Council meetings was also conducted via teleconference and electronic means.

The City has not experienced and does not at this time foresee a future negative impact on the execution of City services (including Water System operations) as a result of the COVID-19 outbreak. The City has worked diligently to provide its employees with personal protective equipment and voluntary access to screening and vaccinations. However, there can be no assurance that absences of employees or City leadership due to COVID-19 will not adversely impact City operations.

The City reports that Fiscal Year 2020 and 2021 Water System revenues and expenses were not materially affected by the COVID-19 outbreak. The City’s customer base is primarily residential and its water rate structure consists of variable and fixed rate components, which partially mitigates the effect of any reduced water usage by non-residential customers. See the captions “THE WATER SYSTEM—Historical Water System Connections” and “THE WATER SYSTEM—Water System Rates and Charges.”

The projected Water System operating results which are set forth under the caption “WATER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” include the following assumptions based on the trends that the City has seen since the beginning of the outbreak: (i) projected water sales for Fiscal Year 2022 are assumed to remain at the same level as Fiscal Year 2021; although commercial water usage could still be lower, the implementation of renewed stay-at-home orders would continue to result in increased residential consumption; and (ii) Water System write-offs for Fiscal Year 2022 are projected to total approximately \$50,000 (compared to \$32,000 in Fiscal Year 2021).

The COVID-19 outbreak is ongoing, and the duration and severity of the outbreak and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the City and the Water System is unknown. The City continues to actively monitor Water System usage, payment delinquencies, revenues and expenditures so that any further impacts of the COVID-19 pandemic can be anticipated. The City does not currently expect that the COVID-19 outbreak will have a material adverse effect on the City’s ability to pay the Series 2022 Installment Payments.

THE WATER SYSTEM

General

As of spring 2022, the City supplies potable water to approximately: (i) 17,588 single family residential customers; (ii) 545 multi-family residential and senior customers; (iii) 597 commercial customers; and (iv) 528 industrial, government, irrigation, institutional and other customers. See the caption “—Historical Water System Connections.” All water connections are metered.

The City has two sources of water: (i) untreated water that is imported from CCWD, which has a contract to obtain CVP water from the USBR; and (ii) untreated groundwater that is extracted from two City-owned wells in the Basin. See the caption “—Water Supply” for a detailed description of the City’s various water sources.

Both of the City’s water sources consist of untreated water. Accordingly, all of the City’s water supply must be treated prior to delivery to customers. The City’s water treatment facility, the WTP, has a permitted capacity of 28 mgd and was originally constructed in 1953. See the caption “—Pittsburg Water Treatment Plant” for a description of the WTP and the caption “THE 2022 PROJECT” for a description of planned improvements to the WTP that are being financed from proceeds of the Bonds.

In addition to the WTP, the Water System includes 7 pump stations, 8 drinking water storage reservoirs with a cumulative storage capacity of approximately 19 million gallons, 229 miles of water mains, 3,600 distribution system valves and 1,300 fire hydrants.

In order to provide sufficient emergency water storage to supply water to its customers (including the City) for an extended period, CCWD maintains an intertie with the East Bay Municipal Utility District (“EBMUD”). The intertie enables CCWD to divert up to 3,200 acre feet of water per year at EBMUD’s Freeport Regional Water Project facility in the Sacramento area. In addition to allowing the agencies to share water during a supply emergency, the intertie provides an uninterrupted water supply when conveyance through other CCWD facilities is temporarily shut down for maintenance, repairs and upgrades. See the captions “THE CITY—Seismic Considerations” and “—Water Supply—Imported Water.”

Certain Water System customers (including the City for the purpose of park irrigation) receive recycled water supplies from a separate agency known as Delta Diablo, formerly known as Delta Diablo Sanitation District. Delta Diablo’s distribution system is not part of the Water System and the City receives no revenues from the sale of recycled water to such customers.

Although it is possible that Water System Revenues could be reduced as a result of increased recycled water use by City customers in the future, Operation and Maintenance Costs would also be reduced because the City would purchase less water from CCWD. The City also believes that recycled water usage enables the City’s to conserve its potable water supplies during times of drought (and accompanying conservation restrictions imposed by the State, as described under the caption “—Drought Declarations”), particularly during peak demand times. At this time, the City does not believe that increased recycled water use by City customers in the future would have a material adverse effect on the City’s ability to pay the Series 2022 Installment Payments.

Pittsburg Water Treatment Plant

As described in detail under the caption “—Water Supply,” the City purchases untreated imported water from CCWD and extracts groundwater from two City-owned wells. Both of the City’s water sources supply untreated water that must be treated at the WTP prior to delivery to customers.

The WTP, a secondary treatment facility, began operations in 1953 with a rated capacity of 8 mgd. The original treatment process consisted of the disinfection of raw water using chlorine and anhydrous ammonia. An upgrade in 1976-77 increased the rated capacity up to 16 mgd. In 1988-90, the facility was upgraded again, increasing the WTP's design capacity to its current level of 32 mgd. Despite its design capacity, the WTP's permitted capacity from the State Department of Public Health has been established at 28 mgd and average daily flows are usually below that amount.

The WTP's conventional treatment process includes pre-oxidation, flash mixing, hydraulic flocculation, sedimentation, and conventional dual-media (granular activated carbon) filters.

See the caption "THE 2022 PROJECT" for a discussion of planned upgrades to the WTP to be funded from proceeds of the Bonds.

Water Quality

General. The City's primary water source is untreated imported water which is supplied by CCWD. The City also extracts raw water from two City-owned wells for a portion of its water supplies. All City supplies are treated to potable water standards at the WTP prior to delivery to customers. See the caption "—Pittsburg Water Treatment Plant."

CCWD water supplies come from the Delta and can be affected by seawater intrusion during periods of low fresh water inflow (typically between late summer and mid-winter), which increases the mineral content of the water. Water from the Delta can also be impacted by drainage or runoff from areas under agricultural production. The City conducts a regular water main flushing program to remove accumulated sediment and improve water quality.

Water extracted from the City's wells can on occasion have concentrations of manganese, iron and dissolved solids at levels above regulatory standards. In particular, total dissolved solids in water extracted from a now-inactive City well were previously recorded at concentrations in excess of a recommended standard relating to water aesthetics. The treatment process at the WTP reduces total dissolved solids to acceptable levels in such cases. In addition, the City blends water from its wells with CCWD water supplies to ensure compliance with all regulatory standards.

PFAS. In 2019, the State of California Water Resources Board's Division of Drinking Water (the "Division") lowered the Notification Levels (the "NLs") for Perfluorooctanoic acid ("PFOA") and Perfluorooctanesulfonic acid ("PFOS") to 5.1 and 6.5 parts per trillion ("PPT"), respectively. NLs are non-regulatory, precautionary health-based measures for concentrations of chemicals in drinking water that warrant notification and further monitoring and assessment. In 2020, the Division lowered the Response Level (the "RL") for PFOA and PFOS from 70 PPT, combined, to 10 and 40 PPT, respectively. RLs are non-regulatory, precautionary health-based measures that are set at higher levels than NLs and represent thresholds at which the Division recommends that water systems remove a water source from use or treat it.

PFOA and PFOS are fluorinated organic chemicals which are part of a family of synthetic compounds referred to as per- and polyfluoroalkyl substances ("PFAS"). PFAS are water and lipid resistant substances that were previously used in a variety of manufacturing processes and industrial applications. They are often present in water supplies which are impacted by wastewater treatment plant effluent or active or former military installations. The City understands that recent technological advances have enabled water agencies to detect PFAS compounds at very low concentrations.

The City's goal is to ensure that all drinking water which is served to customers meets or exceeds all applicable State and federal water quality standards, including those related to PFAS. Because the City's water supplies consist of untreated water, neither the City nor CCWD is required to test such supplies for PFAS prior to treatment at the WTP. The City has tested its water supplies after treatment at the WTP for

contaminants under the federal Environmental Protection Agency’s UCMR-3 rule, which requires monitoring for 30 contaminants (28 chemicals and two viruses), resulting in a “non-detect” finding.

The City does not anticipate that implementation of the lowered PFAS RL by the Division will have a material adverse effect on the operation of the Water System or the costs thereof. The projected operating results which are set forth under the caption “WATER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” do not assume significant increases in water treatment or other Water System operating costs to meet State regulations relating to PFAS.

Water Supply

The City has two sources of water: (i) untreated water that is imported from CCWD through the CVP, as discussed under the subcaption “—Imported Water” below; and (ii) groundwater that is extracted from two City-owned wells, as discussed under the subcaption “—Local Water” below.

See the captions “—Historical Water System Supply” and “—Projected Water System Supply” for historical and projected information with respect to the City’s sources of water supply.

Imported Water. Approximately 86% (8,333 acre feet) of the Water System’s total water supply in Fiscal Year 2021 was imported water that the City purchased at wholesale from CCWD.

CCWD water supplies consist of CVP water from the Delta that is conveyed to the City via the Contra Costa Canal, a 47-mile aqueduct that is managed by USBR and extends from a stream called Rock Slough at the far eastern edge of the County to the City of Martinez in the western area of the County. CCWD has a contract with USBR, which operates the CVP, for 195,000 acre feet of CVP water per year. The contract term extends through February 2045.

Extending 400 miles through central California, the CVP is a multi-purpose network of dams, reservoirs, canals, hydroelectric powerplants and other facilities. The CVP reduces flood risk for the San Joaquin Valley, includes water storage and recreational facilities and supplies domestic and industrial water within the San Joaquin Valley and the greater Sacramento and San Francisco Bay areas. The CVP also produces electrical power and provides water to restore and protect fish and wildlife habitat.

CCWD is a water wholesale agency that was originally formed in 1936 by a vote of a number of cities in the County to provide a supplemental supply of water for domestic and municipal uses at wholesale to its customers. The CCWD service area encompasses a large part of the central and eastern portions of the County, with a population of over 550,000 people. CCWD is governed by a 5-person elected Board of Directors, each representing a division of approximately 110,000 people.

CCWD’s Board of Directors has adopted a goal of meeting 100% of the Water System’s demand during years of normal precipitation and at least 85% of the Water System’s demand during periods of water shortage. In addition to its CVP supplies, CCWD has entered into a long-term water transfer agreement with East Contract Costa Irrigation District to purchase surplus irrigation water from such district’s service area. CCWD also maintains an emergency intertie with EBMUD. See the caption “—General.”

As discussed under the caption “THE 2022 PROJECT,” although the City does not currently purchase treated water from CCWD, it does have two treated water interties with CCWD, and the City may buy up to two million gallons of treated water per day from CCWD (particularly during high-demand summer months) if the treatment capacity of the WTP is limited during the 2022 Project construction period. Although treated water supplies are more expensive than untreated water, the City does not expect the purchase of treated water to have a significant effect on Water System Net Revenues because Operation and Maintenance Costs (in particular, water treatment costs) would be reduced.

[UPDATE BEFORE POSTING] CCWD and USBR face various challenges in the continued supply of imported water to the City, including reductions in water deliveries through the CVP. In February 2022, USBR announced that allocations to municipal and industrial customers such as CCWD for water year 2021-22 would be limited to 25% of contract amounts. Allocations represent the amount of CVP water that USBR will deliver for the year. Allocations are reviewed periodically based on several factors, including water in storage, environmental requirements and rain and snow runoff projections. To date, CCWD has not announced any supply curtailments to the City as a result of the USBR announcement or otherwise, nor has the City Council considered imposing any restrictions on water use by Water System customers.

A description of the supply challenges faced by CCWD and USBR, as well as a variety of other operating information with respect to CCWD and USBR, is included in certain disclosure documents prepared by CCWD. CCWD periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. CCWD has also entered into certain continuing disclosure agreements pursuant to which it is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“**Rule 15c2-12**”). Such official statements, other disclosure documents, annual reports and notices are filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“**EMMA**”) at <http://emma.msrb.org>. Such information is not incorporated herein by reference thereto, and the City makes no representation as to the accuracy or completeness of such information. NEITHER CCWD NOR USBR HAVE ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE CITY, THE AUTHORITY, THE TRUSTEE OR THE OWNERS OF THE BONDS TO PROVIDE INFORMATION TO THE CITY OR THE OWNERS OF THE BONDS.

CCWD AND USBR HAVE NOT REVIEWED THIS OFFICIAL STATEMENT AND HAVE NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION THAT IS CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO CCWD AND USBR. CCWD AND USBR ARE NOT CONTRACTUALLY OBLIGATED, AND HAVE NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE CITY OR THE OWNERS OF THE BONDS UNDER RULE 15c2-12.

Local Water. Approximately 14% (1,326 acre feet) of the Water System’s total water supply in Fiscal Year 2021 consisted of groundwater that was extracted from two City-owned wells in the Basin, the Dover well and the Bodega well.

The Dover well, which was originally brought into service in 2017, has a production capacity of approximately 1,500 gallons per minute, while the Bodega well, which was originally brought into service in 2009, has a production capacity of approximately 1,200 gallons per minute.

The Basin is an 18.1 square mile groundwater basin that extends from Suisun Bay approximately 3 miles south. Golden State Water District, the only other entity with significant extraction rights in the Basin, is a private water company that serves fewer than 5,000 customers in a community to the west of the City known as Bay Point. The City’s extraction rights from the Basin are currently not limited by the State or any other entity.

The Basin is unadjudicated and is considered a low priority groundwater basin under Assembly Bill No. 1739 and Senate Bill Nos. 1168 and 1319 (collectively, the Sustainable Groundwater Management Act, or “**SGMA**”), a legislative effort to regulate groundwater on a Statewide basis which was enacted on September 16, 2014. Pursuant to SGMA, the State designated groundwater basins in the State as high, medium, low or very low priority for purposes of groundwater management. Local groundwater producers were required to establish or designate an entity (referred to as a groundwater sustainability agency, or “**GSA**”), subject to the State Department of Water Resources’ approval, to manage each high and medium priority groundwater basin.

Each GSA was tasked with submitting a groundwater sustainability plan (a “GSP”) for DWR’s approval by January 31, 2022.

GSA’s must consider the interests of all groundwater users in a basin and may require registration of groundwater users, the installation of flow meters to measure groundwater extractions and annual reporting of extractions up to an amount specified in the GSP. In addition, GSA’s are authorized to impose spacing requirements on new wells, monitor, regulate and limit or condition groundwater production and establish production allocations among groundwater producers, among other powers. GSA’s are authorized to impose fees to fund such activities and to fine or issue cease and desist orders against producers that violate the GSA’s regulations. GSP’s must include sustainability goals and a plan to implement such goals within 20 years.

Although the Basin has been designated as a low priority groundwater basin by under SGMA, the City has prepared the Pittsburg Plain Groundwater Management Plan to manage and protect water resources in the Basin. This plan was developed in concert with a regional water supply effort known as the East Contra Costa County Integrated Regional Water Management Plan, a collaborative effort among 4 cities (including the City), CCWD, the County and a number of other special districts to manage water supplies, water quality, watershed protection and flood and stormwater management on a regional basis.

The City does not currently expect its groundwater extraction rights or costs in the Basin to change significantly as a result of the enactment of SGMA, the implementation of the Pittsburg Plain Groundwater Management Plan or the implementation of the East Contra Costa County Integrated Regional Water Management Plan.

The City does not expect groundwater to serve as the source of more than approximately 20% of its water supply in any given year because the City’s groundwater is blended with water imported from CCWD in order to meet applicable water quality standards. See the caption “—Water Quality—General.”

Drought Declarations

State Orders. On January 17, 2014, the Governor declared a drought state of emergency (the “**Declaration**”) with immediate effect. The Declaration included an order encouraging local urban water suppliers, including the City, to implement their local water shortage contingency plans; the City’s plan is discussed under the subcaption “—City Response to Drought.” On April 7, 2017, after significant improvement in water supply conditions across California, the Governor issued Executive Order B-40-17, which rescinded mandatory conservation measures for most California counties (including the County).

In 2018, the California Governor signed Senate Bill 606 and Assembly Bill 1668 into law. These bills relate to water conservation and drought planning and empower the State of California Department of Water Resources and the State of California Water Resources Control Board to adopt long-term standards for the following: (i) indoor residential water use; (ii) outdoor residential water use; (iii) commercial, industrial and institutional water use for landscape irrigation; and (iv) water loss. The indoor water use standard has been defined as 55 gallons per person per day (“**GPCD**”) until January 2025; the standard will decrease over time to 50 GPCD in January 2030. Standards for outdoor residential water use and commercial, industrial and institutional water use for landscape irrigation are still being developed. Urban water suppliers will be required to stay within annual water budgets, based on these standards, for their service areas.

The City is unable to predict the effect on the Water System of the implementation of Senate Bill 606 and Assembly Bill 1668 or any future legislation with respect to water conservation. However, the City is meeting and believes that it will continue to be able to meet the 55 GPCD standard for indoor water use, along with annual State-mandated water use efficiency standards, based on the City’s current water demands and ongoing efforts to encourage conservation, as described below under the subcaption “—City Response to Drought.” The City also has a tiered rate structure for residential customers that further promotes water use

efficiency by charging a higher rate for water use in excess of the maximum amount within each tier. See the caption “—Water System Rates and Charges—Current Rates and Charges.”

On October 19, 2021, the Governor declared a Statewide drought state of emergency and requested that all water users voluntarily reduce water use by 15%. The declaration encouraged water agencies to draw upon supplies other than groundwater and to implement their water shortage contingency plans and authorized the State Water Resources Control Board to adopt regulations that prohibit wasteful water use (such as the use of potable water to wash paved surfaces or to irrigate landscaping during the two days following rainfall). There can be no assurance that subsequent State declarations will not impose mandatory water use restrictions should dry conditions persist in 2022 or future years.

City Response to Drought. The City’s water shortage contingency plan (the “WSCP”), which meets State guidelines for such plans, calls for the City to respond to a water shortage in stages as follows:

- Level 1 is intended to effect a reduction in water use of up to 10%. Under Level 1, wasteful use of water (including irrigating landscaping between the hours of 11:00 a.m. and 6:00 p.m.) is discouraged. In addition, washing down paved areas, irrigating landscaping within 48 hours of rainfall and using water in decorative features such as fountains are prohibited. Water leaks must be repaired in a timely manner and hoses must be used with an automatic shutoff nozzle.
- Level 2 is intended to effect a reduction in water use of up to 20%. Under Level 2, the Level 1 restrictions remain in place and landscape irrigation is limited to two or three days per week.
- Level 3 is intended to effect a reduction in water use of up to 30%. Under Level 3, the Level 1 and 2 restrictions are in place and each customer is required to reduce water use by a specified percentage or pay penalty rates.
- Level 4 is intended to effect a reduction in water use of up to 40%. Under Level 4, the Level 1, 2 and 3 restrictions are in place, water rates are increased and a moratorium on new connections is put into effect.
- Level 5 is intended to effect a reduction in water use of up to 50%. Under Level 5, the Level 1, 2, 3 and 4 restrictions are in place and building permits are restricted.
- Level 6 is intended to effect a reduction in water use of over 50%. Under Level 6, the Level 1, 2, 3, 4 and 5 restrictions are in place, non-essential water use is prohibited and water is allotted per capita by customer type.

The City is currently in Level 1 of the WSCP.

The City is empowered to enforce the WSCP with successively increasing monetary fines, the installation of flow restriction devices and the termination of water service.

The projected Water System operating results that are set forth under the caption “WATER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” reflect the continued implementation of Level 1 of the WSCP. The City does not currently expect that the implementation of higher levels of the WSCP in the future will have a material adverse effect on its ability to pay the Series 2022 Installment Payments from Net Revenues. As discussed under the caption “—Water System Rates and Charges,” the City’s rate structure consists of variable and fixed rate components. Decreased water consumption is partially offset by a decrease in related variable costs, while fixed water charges largely cover the Water System’s fixed operating and maintenance costs. In addition, the City has covenanted to set Water System rates and charges in amounts that it expects to be sufficient to pay the Bonds from Net Revenues. See the caption “SECURITY FOR THE BONDS—Rate Covenant.”

If a water shortage should arise again in the future, legal issues exist as to whether different California Water Code provisions or State regulations will be invoked to manage the allocation of water. Any curtailment pursuant to State orders could necessitate an increase in the City’s water rates to Water System customers. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218” for a discussion of certain restrictions on the City’s ability to raise water rates.

Historical Water System Supply

The following table shows sources of supply for the Water System for the last five Fiscal Years.

Table 1
City of Pittsburg
Historical Water Supply in Acre Feet

<i>Fiscal Year Ended June 30</i>	<i>CCWD</i>	<i>Wells</i>	<i>Total</i>	<i>Percentage Increase/ (Decrease)</i>
2017	6,843	1,429	8,272	N/A%
2018	7,183	1,470	8,653	4.60
2019	7,570	1,154	8,725	0.83
2020	7,752	1,480	9,232	5.81
2021	8,333	1,326	9,659	4.62

Source: City.

Historical Water System Deliveries

The following table shows water deliveries to Water System customers for the last five Fiscal Years.

Table 2
City of Pittsburg
Historical Water System Deliveries in Acre Feet⁽¹⁾

<i>Fiscal Year Ended June 30</i>	<i>Deliveries to Residential Customers</i>	<i>Deliveries to Commercial Customers</i>	<i>Deliveries to Other Customers⁽²⁾</i>	<i>Total</i>	<i>Percentage Increase/ (Decrease)</i>
2017	4,959	461	1,803	7,223	N/A%
2018	5,276	481	1,912	7,669	6.17
2019 ⁽³⁾	5,221	478	1,953	7,652	(0.21)
2020	5,581	479	1,979	8,039	5.06
2021	5,946	456	2,131	8,533	6.15

⁽¹⁾ Differences between water deliveries and water supplies set forth under the caption “—Historical Water System Supply” reflect unaccounted for water, including water losses and inaccuracies in water meter readings. The City has recently completed an automated meter reading project and expects meter reading accuracy to increase as a result.

⁽²⁾ Reflects potable water deliveries to industrial, government, irrigation, institutional and other customers. Recycled water deliveries to such customers are reflected in the Recycled Water Customers column.

⁽³⁾ Decrease reflects wet hydrological year.

Source: City.

Historical water deliveries reflect connections to the Water System as well as water demand, which can be affected by weather conditions, State mandates and other factors.

Historical Water System Connections

The following table shows the number of connections to the Water System for the last five Fiscal Years.

Table 3
City of Pittsburg
Historical Water System Connections

<i>Connection Type</i>	<i>Fiscal Year 2017</i>	<i>Fiscal Year 2018</i>	<i>Fiscal Year 2019</i>	<i>Fiscal Year 2020</i>	<i>Fiscal Year 2021</i>
Residential	17,254	17,420	17,448	17,629	17,756
Commercial	503	510	510	471	511
Other ⁽¹⁾	<u>441</u>	<u>422</u>	<u>444</u>	<u>445</u>	<u>442</u>
TOTAL	18,198	18,352	18,402	18,545	18,709
Percentage Increase/(Decrease)	N/A	0.85%	0.27%	0.78%	0.88%

⁽¹⁾ Includes industrial, government, irrigation, institutional and other customers.
Source: City.

Historical Water System Sales Revenues

The following table shows the sales revenues of the Water System for the last five Fiscal Years. Connection fees are not included in the below numbers.

Table 4
City of Pittsburg
Historical Water System Sales Revenues

<i>Fiscal Year Ended June 30</i>	<i>Residential Customers</i>	<i>Commercial Customers</i>	<i>Other Customers⁽¹⁾</i>	<i>Total⁽²⁾</i>	<i>Percentage Increase/ (Decrease)</i>
2017	\$13,335,830	\$1,387,200	\$3,498,935	\$18,221,965	N/A%
2018	14,500,661	1,478,706	4,004,561	19,983,928	9.67
2019	15,433,657	1,611,557	4,240,094	21,285,308	6.51
2020	17,039,918	1,695,360	4,777,200	23,512,478	10.46
2021	18,835,104	1,757,956	5,272,515	25,865,575	10.01

⁽¹⁾ Reflects potable water sales revenues from industrial, government, irrigation, institutional and other customers.

⁽²⁾ Differences between these numbers and the “Charges for Services” Revenue line item in Table 12 under the caption “WATER SYSTEM FINANCIAL INFORMATION—Historical Operating Results and Debt Service Coverage” reflect the inclusion of late fees, penalty revenues and certain other charges in the above table.

Source: City.

Water System sales revenues reflect water deliveries as well as adopted rates and charges. See the captions “—Historical Water System Deliveries” and “—Water System Rates and Charges.”

Largest Water System Customers

The following table shows the largest Water System customers for the Fiscal Year ended June 30, 2021, as determined by annual payments.

Table 5
City of Pittsburg
Ten Largest Water System Customers

<i>Customer</i>	<i>Customer Type</i>	<i>Consumption in Hundred Cubic Feet</i>	<i>Water Consumption Fees</i>	<i>Meter Fees</i>	<i>Total Annual Payment</i>	<i>Percentage of Total Water System Sales Revenues</i>
Dow USA #818606	Industrial	202,650	\$1,033,958	\$ 6,960	\$1,040,918	4.02%
Pittsburg Unified School District	Education	94,911	466,665	50,160	516,825	1.99
KW Kirker Creek LLC	Multi-family Residential	66,235	412,589	40,320	452,909	1.75
Angelica Corporation	Industrial	57,722	387,762	4,560	392,322	1.51
Contra Costa Community College	Education	37,225	248,936	13,920	262,856	1.01
The Meadows Mobile Home	Multi-family Residential	35,171	238,692	13,920	252,612	0.97
Housing Authority of Contra Costa	Multi-family Residential	26,396	161,586	13,920	175,506	0.68
Pittsburg Foxcreek Apartments	Multi-family Residential	27,188	158,708	6,960	165,668	0.64
USS Posco	Industrial	36,192	149,574	13,920	163,494	0.63
Lido Square Townhouses	Multi-family Residential	<u>20,896</u>	<u>132,327</u>	<u>13,920</u>	<u>146,247</u>	<u>0.56</u>
TOTAL		604,586	\$3,390,797	\$178,560	\$3,569,357	13.77%

Source: City.

These customers accounted for approximately 13.77% of total Water System sales revenues and service charges of \$25,919,575 in Fiscal Year 2021.

Water System Rates and Charges

General. The Water System’s rates and charges are set by the City Council and are not subject to the jurisdiction of, or regulation by, the California Public Utilities Commission or any other regulatory body. The City is, however, required to comply with the notice, hearing and majority protest provisions of Article XIIIID of the State Constitution, which is popularly known as Proposition 218, as to Water System rates and charges. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218” for further information with respect to Proposition 218.

The City annually determines the adequacy of the charge structure for water service in the service area after full consideration of expected operations, maintenance, capital costs and capital repayment obligations of the Water System. The City Council sets water rates and charges at a level that it determines is sufficient to pay all Operation and Maintenance Costs of the Water System, to make debt service payments and to maintain appropriate reserves for the Water System.

In 2018, the City Council adopted rates for calendar years 2018 through 2021 (the “**Current Rate Plan**”) in accordance with the provisions of Proposition 218. The adopted Current Rate Plan remains in place as of the date hereof. A water rate study (the “**Rate Study**”) for calendar years 2022 through 2027 has been completed and the City Council is expected to consider the adoption of an updated rate structure in or about July 2022. There can be no assurance that the City Council will adopted updated rates as set forth in the Rate Study or that the City’s ratepayers will not approve an initiative to repeal or modify any increase in water rates and charges approved by the City Council.

The projected operating results which are set forth under the caption “WATER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” assume Water System rate increases in accordance with the Rate Study of approximately 5% on August 1, 2022, January 1, 2024 and each January 1 thereafter through January 1, 2027. In the event that the City Council does not adopt rate increases as currently contemplated by the Rate Study, Water System operating results could be materially different from the projections in this Official Statement.

Adopted Rates and Charges. The City’s water rates and charges include: (1) a commodity rate; and (2) a fixed monthly charge.

(1) **Commodity Rates.** The City imposes commodity rates for residential customers on a tiered basis per hundred cubic feet of water (“**HCF**”) used in each billing cycle. Tier 1 (1-14 HCF per monthly billing cycle for single family residential customers) generally reflects essential indoor use and efficient outdoor use and Tier 2 (14+ HCF per monthly billing cycle for single family residential customers) generally reflects excessive use. Commodity rates for non-residential customers are not tiered. Current commodity rates are set forth below.

Table 6
City of Pittsburgh
Water Commodity Rates per HCF

<i>Water Use Type</i>	<i>Rate</i>
Single Family Residential Tier 1 (1-14 HCF) ⁽¹⁾	\$4.46
Single Family Residential Tier 2 (14+ HCF) ⁽²⁾	6.15
Non-Residential ⁽³⁾	5.35

⁽¹⁾ Reflects rate for Zones 1 and 2. Rates for Zones 3, 4 and 5/6 are \$4.60, \$4.68 and \$4.82, respectively. Discounted rates are available for seniors.

⁽²⁾ Reflects rate for Zones 1 and 2. Rates for Zones 3, 4, and 5/6 are \$6.29, \$6.37 and \$6.51, respectively. Discounted rates are available for seniors.

⁽³⁾ Reflects rate for Zones 1 and 2. Rates for Zones 3, 4, and 5/6 are \$5.49, \$5.57 and \$5.71, respectively.

Source: City.

(2) Fixed Monthly Charge. The City imposes the following fixed monthly water service charges based on water meter size:

Table 7
City of Pittsburgh
Fixed Monthly Water Service Charges

<i>Meter Size</i>	<i>Water Service Charge</i>
5/8" x 3/4" or 3/4"	\$ 29.60
5/8" x 3/4" or 3/4" (Senior Rate)	24.29
1"	64.00
1½"	122.00
2"	191.00
3"	380.00
4"	580.00
6"	1,160.00
8"	2,090.00
10"	3,360.00

Source: City.

Connection Fees. The City charges a connection fee to customers for connecting to the Water System. Connection fees vary based on meter size and location within the Water System service area. Current connection fees range from \$2,671.40 for a 5/8" residential meter in certain portions of the service area to \$1,467,457.72 for a 10" commercial meter in certain portions of the service area.

Comparison to Nearby Service Providers. The table below sets forth a comparison of the City's typical monthly water bill for a single family residential user to those of certain nearby water purveyors. Information for agencies other than the City is as of calendar year 2021 where available, while information for the City is as of the date of this Official Statement.

**Table 8
City of Pittsburg
Water Rate Comparison**

<i>Water Service Provider</i>	<i>Average Monthly Water Bill⁽¹⁾</i>
City of Martinez	\$142.70
Golden State Water Company (Bay Point)	92.40
East Bay Municipal Utility District	79.82
City of Pittsburg	74.20
Contra Costa Water District	72.90
Antioch	62.20
Brentwood	59.52
Diablo Water District (Oakley)	46.87

⁽¹⁾ Reflects rates as of January 2022. Assumes usage of 10 HCF per month.
Source: City.

Water System Collection Procedures

The City is on a monthly billing cycle for Water System customers. A consolidated bill which includes wastewater and other utility charges is sent to customers monthly for services rendered in the prior month. All accounts that remain unpaid on the 30th day following the delivery of an invoice incur a penalty of 10%. Accounts for which payment is not received by the 60th day following the original delivery of an invoice will be scheduled to be shut off, and service restoration fees will be imposed. The City issues bimonthly delinquent account notifications and thereafter carries out shutoffs if accounts remain unpaid. Closed accounts that are not paid after 90 days are written off and sent to a collection agency. The City reports that most customers pay their bills in full, including late charges, prior to shutoff.

See the caption “THE CITY—COVID-19 Outbreak” for a discussion of the suspension of the imposition of late payment penalties and water shutoffs for delinquent accounts. As a result of the foregoing actions, the City has written off the collection of approximately \$90,000 in late fees for delinquent Water System accounts that would otherwise have accrued between March 18, 2020 and June 30, 2021. As discussed under the caption “THE CITY—COVID-19 Outbreak,” the City participated in the CWWAPP, a State program that provided up to \$1 billion to water service providers to cover delinquencies by commercial and residential customers during the period between March 4, 2020 and June 15, 2021. CWWAPP funds were made available to cover potable water service charge delinquencies. The City received a payment of \$200,328 to cover water service arrearages under the CWWAPP. As a result, as of April 7, 2022, the current balance on all delinquent accounts (active accounts over 60 days past due) is \$6,200.

Considering the continuing potential impacts of the pandemic, the City anticipates that its allowance for the write-off of uncollectible accounts for the period from July 1, 2021 through December 31, 2021 (when the shutoff moratorium ended) is approximately \$8,500, and that the full Fiscal Year 2022 write-off will be approximately \$50,000, representing less than 1% of projected Water System Revenues.

Future Water System Improvements

The City projects total capital improvements to the Water System of approximately \$76.4 million through 2028, including the 2022 Project (as discussed under the caption “THE 2022 PROJECT”) and the projects listed below. The below-listed capital improvements are expected to be financed by a combination of Water System reserves and Revenues remaining after the payment of debt service on the Bonds, the 2014 ISA and the 2016 Bonds. The City does not expect to issue or enter into additional Parity Bonds or Contracts to finance the below-described projects.

<i>Water System Project</i>	<i>Estimated Cost</i>
<u>Water Treatment Plant Projects</u>	
Water Treatment Plant Repairs	\$ 500,000
Water Treatment Plant Disinfection Modification and Conversion Project	3,000,000
Filter Media Replacements (8 Filters)	700,000
Water Treatment Plant Sludge Removal	250,000
<u>Rehabilitations and Replacements</u>	
Highlands Ranch Reservoir Recoating	250,000
Water Main Installations and Replacements – City of Pittsburg	6,000,000
Water Main Installations and Replacements – Central Addition	9,400,000
Water Main Installations and Replacements – High School	8,000,000
Bodega Court Water System Loop	300,000
Water System Reliability Project	800,000
Canal Crossing Improvements	150,000
<u>Expansion Projects</u>	
West Leland Road Water Main	<u>2,000,000</u>
Total Costs	\$31,350,000

Projected Water System Supply

The following table shows the sources of supply for the Water System projected by the City for the current and next four Fiscal Years.

Table 9
City of Pittsburg
Projected Water Supply in Acre Feet

<i>Fiscal Year</i>				<i>Percentage</i>
<i>Ending</i>	<i>Imported</i>	<i>Local</i>	<i>Total</i>	<i>Increase/ (Decrease)</i>
<i>June 30</i>	<i>Water</i>	<i>Water</i>		<i>(Decrease)</i>
2022	8,098	1,350	9,448	(2.18)% ⁽¹⁾
2023	8,287	1,350	9,637	2.00
2024	8,480	1,350	9,830	2.00
2025	8,677	1,350	10,027	2.00
2026	8,877	1,350	10,227	2.00

⁽¹⁾ Decrease reflects projected conservation by Water System customers in light of Statewide drought declaration. See the caption “—Drought Declarations—State Orders.”

Source: City.

Projected Water System Deliveries

The following table shows Water System deliveries projected by the City for the current and next four Fiscal Years. 8,533

Table 10
City of Pittsburgh
Projected Water System Deliveries in Acre Feet⁽¹⁾

<i>Fiscal Year Ending June 30</i>	<i>Deliveries to Residential Customers</i>	<i>Deliveries to Commercial Customers</i>	<i>Deliveries to Other Customers⁽²⁾</i>	<i>Total</i>	<i>Percentage Increase/ (Decrease)</i>
2022	5,714	490	1,979	8,183	(4.10)% ⁽³⁾
2023	5,828	500	2,069	8,397	2.62
2024	5,945	510	2,025	8,480	0.99
2025	6,064	520	2,066	8,650	2.00
2026	6,185	530	<u>2,107</u>	8,822	1.99

⁽¹⁾ Differences between projected water deliveries and projected water supplies set forth under the caption “—Projected Water System Supply” reflect projections of unaccounted for water, including water losses and inaccuracies in water meter readings. Notwithstanding the foregoing projections, the City has recently completed an automated meter reading project and expects meter reading accuracy to increase as a result.

⁽²⁾ Reflects projected potable water deliveries to industrial, government, irrigation, institutional and other customers.

⁽³⁾ Decrease reflects projected conservation by Water System customers in light of Statewide drought declaration. See the caption “—Drought Declarations—State Orders.”

Source: City.

Water System deliveries can be affected by a number of factors, including connections to the Water System, State mandates and weather conditions. See the caption “—Projected Water System Connections” below.

Projected Water System Connections

The following table shows the number of retail connections to the Water System projected by the City for the current and next four Fiscal Years.

Table 11
City of Pittsburgh
Projected Water System Connections

<i>Connection Type</i>	<i>Fiscal Year 2022</i>	<i>Fiscal Year 2023</i>	<i>Fiscal Year 2024</i>	<i>Fiscal Year 2025</i>	<i>Fiscal Year 2026</i>
Residential	18,111	18,473	18,842	19,220	19,604
Commercial	521	532	542	553	564
Other ⁽¹⁾	<u>450</u>	<u>460</u>	<u>469</u>	<u>478</u>	<u>488</u>
TOTAL	19,082	19,465	19,853	20,251	20,656
Percentage Increase/(Decrease)	2.00%	2.00%	2.00%	2.00%	2.00%

⁽¹⁾ Includes industrial, government, irrigation, institutional and other customers that receive both potable and recycled water.

Source: City.

Projected increases in connections reflect expectations of development within the Water System service area.

Projected Water System Sales Revenues

As shown in Table 4 under the caption “—Historical Water System Sales Revenues,” approximately 73% of Water System sales revenues were attributable to residential customers, approximately 7% of Water System sales revenues were attributable to commercial customers and approximately 20% of Water System

sales revenues were attributable to industrial, government, irrigation, institutional and other customers. The City does not expect these proportions to change materially in future years.

See the “Charges for Services” line item in Table 13 under the caption “WATER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage” for sales revenues of the Water System projected by the City for the current and next four Fiscal Years. The projections: (i) are based on the increases in projected water deliveries that are described under the caption “—Projected Water System Deliveries;” (ii) assume the continued implementation of Level 1 of the WSCP for the projection period, as described under the caption “—Drought Declarations—City Response to Drought;” and (iii) assume Water System rate increases in accordance with the Rate Study, as described under the caption “—Water System Rates and Charges—General,” none of which have yet been adopted. All rate increases are subject to the notice, hearing and protest provisions of Proposition 218, and there can be no assurance that rate increases which are projected herein will be approved. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

WATER SYSTEM FINANCIAL INFORMATION

Available Cash

As of June 30, 2021, the Water System had total moneys invested in the amount of \$33,797,265 in permitted investments (none of which was restricted). See the caption “THE CITY—Governance and Management—Management Policies—Investment Policy.” The \$33,797,265 amount represents approximately 690 days of operating expenses based on total Operation and Maintenance Costs of \$17,866,768 as of June 30, 2021.

Historical Operating Results and Debt Service Coverage

The following table is a summary of operating results of the Water System for the last five Fiscal Years. These results have been derived from the audited financial statements of the City, but exclude certain receipts which are not included as Revenues under the Installment Purchase Agreement and certain non-cash items and include certain other adjustments.

Table 12
City of Pittsburgh
Historical Water System Operating Results and Debt Service Coverage
Fiscal Year Ended June 30

	2017	2018	2019	2020	2021
Revenues					
Charges for Services ⁽¹⁾	\$ 18,216,233	\$ 19,973,439	\$ 21,203,928	\$ 23,497,848	\$ 25,845,767
Meter Fees	56,429	34,336	26,134	28,072	73,808
Other Fees	336,785	313,955	315,130	193,422	78,762
Facility Reserve Fees	854,438	724,671	1,225,135	869,932	2,975,505
Other Operating Revenues	1,052,388	422,409	501,476	603,160	130,973
Investment Earnings ⁽²⁾	102,568	132,813	821,824	919,618	70,111
Total Revenues	<u>\$ 20,618,841</u>	<u>\$ 21,601,623</u>	<u>\$ 24,093,627</u>	<u>\$ 26,112,052</u>	<u>\$ 29,174,926</u>
Operation and Maintenance Costs					
Salaries and Wages	2,690,848	\$ 3,245,279	\$ 3,487,868	\$ 3,516,263	\$ 3,432,647
Department Supplies ⁽³⁾	5,776,257	6,468,305	7,094,222	7,521,308	8,270,964
Rentals	15,995	11,280	13,679	17,293	23,543
Utilities	666,391	778,766	875,050	940,442	960,251
Maintenance and Operations ⁽⁴⁾	392,877	635,105	66,476	635,165	551,519
Insurance Deductible	96,567	138,573	219,519	237,287	282,143
Fringe Benefits	3,983,557	3,051,829	3,005,987	3,206,905	3,344,912
Other Operating Expenses	1,021,598	1,153,907	942,055	994,823	1,000,789
Total Operation and Maintenance Costs	<u>\$ 14,644,090</u>	<u>\$ 15,483,044</u>	<u>\$ 15,704,856</u>	<u>\$ 17,069,486</u>	<u>\$ 17,866,768</u>
Net Revenues	\$ 5,974,751	\$ 6,118,579	\$ 8,388,771	\$ 9,042,566	\$ 11,308,158
Debt Service					
2014 ISA	\$ 649,425	\$ 648,601	\$ 647,747	\$ 646,864	\$ 645,950
2016 Bonds	1,513,034	2,199,000	2,523,150	2,514,650	2,504,350
Total Debt Service	<u>\$ 2,162,459</u>	<u>\$ 2,847,601</u>	<u>\$ 3,170,897</u>	<u>\$ 3,161,514</u>	<u>\$ 3,150,300</u>
Debt Service Coverage	2.76	2.15	2.65	2.86	3.59
Remaining Revenues	\$ 3,812,292	\$ 3,270,978	\$ 5,217,874	\$ 5,881,052	\$ 8,157,858

(1) These numbers differ from the amounts in the "Total" column in Table 4 under the caption "THE WATER SYSTEM—Historical Water System Sales Revenues" because the amounts in Table 4 include late fees, penalty revenues and certain other charges.

(2) Increase in investment earnings in Fiscal Years 2019 and 2020 reflects strong interest gains as well as the maturity of certain investments in such Fiscal Years, the proceeds of which were re-invested at lower rates of return.

(3) Includes imported water purchase costs paid to CCWD of \$4,333,765, \$5,216,819, \$5,853,066, \$6,110,500 and \$6,873,026 in Fiscal Years 2017 through 2021, respectively.

(4) Fiscal Year 2017 amount is net of a \$5,451,582 expenditure for construction that was capitalized.

Source: City.

Projected Operating Results and Debt Service Coverage

Estimated projected operating results for the Water System for the current and next four Fiscal Years, reflecting certain significant assumptions concerning future events and circumstances (including those set forth in the footnotes to the table, the projected continued implementation of Level 1 of the WSCP, as discussed under the caption "THE WATER SYSTEM—Drought Declarations—City Response to Drought," and the assumed adoption of rates in accordance with the Rate Study, as discussed under the caption "THE WATER SYSTEM—Water System Rates and Charges—General"), are set forth below. All of such assumptions are material in the development of the City's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

Table 13
City of Pittsburgh
Projected Water System Operating Results and Debt Service Coverage
Fiscal Year Ending June 30

	2022 ⁽¹⁾	2023	2024	2025	2026
Revenues					
Charges for Services ⁽²⁾	\$ [\$	\$	\$	\$
Meter Fees ⁽³⁾					
Other Fees ⁽⁴⁾					
Facility Reserve Fees ⁽⁵⁾					
Other Operating Revenues ⁽⁶⁾	110,000	110,000	110,000	110,000	110,000
Investment Earnings ⁽⁷⁾	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Total Revenues	\$ 29,060,000	\$ 30,490,000	\$ 31,200,000	\$ 32,780,000	\$ 34,440,000
Operation and Maintenance Costs					
Salaries and Wages ⁽⁸⁾	\$	\$	\$	\$	\$
Department Supplies ⁽⁹⁾					
Rentals ⁽⁹⁾					
Utilities ⁽¹⁰⁾					
Maintenance and Operations ⁽¹¹⁾					
Insurance Deductible ⁽¹²⁾					
Fringe Benefits ⁽¹³⁾					
Other Operating Expenses ⁽¹⁴⁾]
Total Operation and Maintenance Costs	\$ 20,720,000	\$ 21,700,000	\$ 23,140,000	\$ 24,690,000	\$ 26,380,000
Net Revenues	\$ 8,340,000	\$ 8,790,000	\$ 8,060,000	\$ 8,090,000	\$ 8,060,000
Debt Service					
2014 ISA	\$ 645,004	\$ 644,024	\$ 643,010	\$ 641,961	\$ 640,875
2016 Bonds	2,492,250	2,475,750	2,459,250	2,439,750	2,417,250
Series 2022 Installment Payments*	<u>-</u>	<u>1,172,053</u>	<u>1,722,200</u>	<u>1,722,200</u>	<u>1,722,200</u>
Total Debt Service*	\$ 3,137,254	\$ 4,291,827	\$ 4,824,460	\$ 4,803,911	\$ 4,780,325
Debt Service Coverage*	2.66	2.05	1.67	1.68	1.69
Remaining Revenues*	\$ 3,128,914	\$ 4,498,173	\$ 3,235,540	\$ 3,286,089	\$ 3,279,675

(1) Reflects budgeted amounts with certain adjustments.

(2) Assumes implementation of rate increases pursuant to the Rate Study, as described under the caption “THE WATER SYSTEM—Water System Rates and Charges—General,” none of which has yet been adopted. All rate increases are subject to the notice, hearing and protest provisions of Proposition 218, and there can be no assurance that rate increase which are projected herein will be approved. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

(3) Projected to increase by approximately []% per annum.

(4) Projected to increase by approximately []% per annum.

(5) Projected to increase by approximately []% per annum.

(6) Projected to remain at Fiscal Year 2022 amount.

(7) Projected to remain at Fiscal Year 2022 amount.

(8) Projected to increase by approximately []% per annum.

(9) Projected to increase by approximately []% per annum.

(10) Projected to increase by approximately []% per annum.

(11) Projected to increase by approximately []% per annum.

(12) Projected to increase by approximately []% per annum.

(13) Projected to increase by approximately []% per annum.

(14) Projected to increase by approximately []% per annum.

Source: City.

Employee Benefits

Pension Obligations. Accounting and financial reporting by state and local government employers for defined benefit pension plans is governed by GASB Statement No. 68 (“GASB 68”). GASB 68 includes the following components: (i) unfunded pension liabilities are included on the employer’s balance sheet; (ii) pension expense incorporates rapid recognition of actuarial experience and investment returns and is not based on the employer’s actual contribution amounts; (iii) lower actuarial discount rates are required to be used

* Preliminary, subject to change.

for underfunded plans in certain cases for purposes of the financial statements; (iv) closed amortization periods for unfunded liabilities are required to be used for certain purposes of the financial statements; and (v) the difference between expected and actual investment returns will be recognized over a closed five-year smoothing period. GASB 68 affects the City’s accounting and reporting requirements, but it does not change the City’s pension plan funding obligations.

The City participates in a Miscellaneous Plan to fund pension benefits for employees that serve the Water System. The City’s pension plan is administered by CalPERS. CalPERS administers agent multiple-employer public employee defined benefit pension plans for all of the City’s full-time and certain part-time employees. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries and acts as a common investment and administrative agent for participating public entities within the State, including the City. CalPERS plan benefit provisions and all other requirements are established by State statute and the City Council.

City employees are subject to different benefit levels based on their hire date. Current benefit provisions for City employees are set forth below.

Table 14
City of Pittsburg
CalPERS Miscellaneous Plan – Summary of Benefit Provisions

	<i>Employees Hired Before July 10, 2011</i>	<i>Employees Hired On or After July 10, 2011 and Before January 1, 2013</i>	<i>Employees Hired On or After January 1, 2013 (Not Prior CalPERS Members)</i>
Benefit Formula	2.0% @ age 55	2.0% @ age 60	2.0% @ age 62
Benefit Vesting	5 years of service	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Minimum Retirement Age	50-63	50-63	52-67
Monthly Benefits as % of Eligible Compensation	1.426% - 2.418%	1.092% - 2.418%	1.0% - 2.5%
Employee Normal Cost	7.0% ⁽¹⁾	7.0% ⁽¹⁾	6.25% ⁽¹⁾
Employer Normal Cost Rate	9.45% ⁽²⁾⁽³⁾	9.45% ⁽²⁾	9.45% ⁽²⁾

⁽¹⁾ Employees are required to make the full employee contribution themselves. The City does not make any portion of the employee contribution.

⁽²⁾ The Employer Normal Cost Rate shown is a blended rate for all benefit groups in the plan. A breakout of the normal cost by benefit group is set forth in the City’s most recent actuarial valuation from CalPERS.

⁽³⁾ These employees also pay 1% of the 9.45% employer contribution.

Source: City.

Contributions to the City’s pension plan consist of: (a) contributions from plan participants (i.e., employees); and (b) contributions by the City. The City’s contributions constitute an Operation and Maintenance Cost of the Water System that is payable prior to the Series 2022 Installment Payments.

City employees who were hired on or after January 1, 2013 and who were not previously CalPERS members receive benefits based on 2.0% at age 62 formula. Such employees are required to make the full amount of required employee contributions themselves under the California Public Employees’ Pension Reform Act of 2013 (“**AB 340**”), which was signed by the State Governor on September 12, 2012. AB 340 established a new pension tier for such employees. Benefits for such participants are calculated on the highest average annual compensation over a consecutive 36-month period. Employees are required to pay at least 50% of the total normal cost rate. AB 340 also capped pensionable income as noted below. Amounts are set annually, subject to Consumer Price Index increases, and retroactive benefits increases are prohibited, as are contribution holidays and purchases of additional non-qualified service credit.

Table 15
City of Pittsburgh
Pensionable Income Caps for Calendar Year 2022 (AB 340 and Non-AB 340 Employees)

	<i>Employees Hired Before January 1, 2013 (Non-AB 340 Employees)</i>	<i>Employees Hired On or After January 1, 2013 (AB 340 Employees)</i>
Maximum Pensionable Income	\$305,000	\$161,969
Maximum Pensionable Income if also Participating in Social Security	N/A	134,974

Source: City.

Additional employee contributions, limits on pensionable compensation and higher retirement ages for new members as a result of the passage of AB 340 are expected to reduce the City’s unfunded pension liability and potentially reduce City contribution levels in the long term.

The City is also required to contribute the actuarially determined remaining amounts necessary to fund benefits for its members. Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on the July 1 following notice of a change in the rate. Total plan contributions are determined through the CalPERS annual actuarial valuation process. The total minimum required employer contribution is the sum of: (i) the plan’s employer normal cost rate, which funds pension benefits for current employees for the upcoming Fiscal Year (expressed as a percentage of payroll); plus (ii) the employer unfunded accrued liability contribution amount, which funds pension benefits that were previously earned by current and former employees (billed monthly).

For Fiscal Year 2021, required employer normal cost rates as a percentage of payroll were 9.339% (reflecting a blended rate for all benefit groups) for Miscellaneous Plan employees. For Fiscal Year 2022, required employer normal cost rates as a percentage of payroll are 9.450% (reflecting a blended rate for all benefit groups) for Miscellaneous Plan employees.

For Fiscal Year 2021, the total required employer payment of the unfunded accrued liability for the City’s Miscellaneous Plan was \$1,814,762, of which \$308,510 was allocable to the Water System. For Fiscal Year 2022, the total required employer payment of the unfunded accrued liability for the City’s Miscellaneous Plan is \$2,224,549, of which \$378,173 is allocable to the Water System.

Beginning in Fiscal Year 2018, CalPERS began collecting employer contributions toward a pension plan’s unfunded liability as dollar amounts instead of the prior method of a percentage of payroll. According to CalPERS, this change was intended to address potential funding issues that could arise from a declining payroll or a reduction in the number of active members in the plan. Funding the unfunded liability as a percentage of payroll could lead to underfunding of pension plans. Due to stakeholder feedback regarding internal needs for total contributions expressed as an estimated percentage of payroll, the CalPERS reports include such results in the contribution projection for informational purposes only. Contributions toward a pension plan’s unfunded liability will continue to be collected as set dollar amounts.

The City’s required contributions to CalPERS fluctuate each year and, as noted, include a normal cost component and a component that is equal to an amortized amount of the unfunded liability. Many assumptions are used to estimate the ultimate liability of pensions and the contributions that will be required to meet those obligations. The CalPERS Board of Administration has adjusted and may in the future further adjust certain assumptions used in the CalPERS actuarial valuations, which adjustments may increase the City’s required contributions to CalPERS in future years. Accordingly, the City cannot provide any assurances that the City’s required contributions to CalPERS in future years will not significantly increase (or otherwise vary) from any past or current projected levels of contributions. CalPERS earnings reports for Fiscal Years 2011 through

2021 report investment gains of approximately 21.7%, 0.1%, 13.2%, 18.4%, 2.4%, 0.6%, 11.2%, 8.6%, 6.7%, 4.7% and 21.3%, respectively. Future earnings performance may increase or decrease future contribution rates for plan participants, including the City. The City notes that CalPERS' earnings in Fiscal Year 2020 were below its investment targets as a result of stock market declines in the wake of the COVID-19 outbreak, which could increase future contribution rates for plan participants, including the City. See the caption "THE CITY—COVID-19 Outbreak."

On December 21, 2016, the CalPERS Board of Administration voted to lower its discount rate from 7.50% to 7.00% over a three period. For public agencies such as the City, the new discount rate took effect July 1, 2017. Lowering the discount rate means that employers which contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013 will also see their contribution rates rise under AB 340. The reduction of the discount rate will result in average employer rate increases of approximately 1% to 3% of normal cost as a percentage of payroll for most retirement plans such as the City's plans. Additionally, many employers will see a 30% to 40% increase in their current unfunded accrued liability payments (relative to the unfunded accrued liability payments projected in the June 30, 2015 valuation report) for pension plans. These payments are made to amortize unfunded liabilities over 20 years to bring pension funds to a fully funded status over the long-term.

The announcement on July 12, 2021 that CalPERS achieved investment returns of 21.3% in Fiscal Year 2021 caused the CalPERS Board of Administration to lower CalPERS' discount rate from 7.00% to 6.80% in fall 2021 in accordance with a risk mitigation policy that was adopted in 2015, which calls for the discount rate to be lowered if returns exceed the then-current discount rate by two or more percentage points. Lowering the discount rate means that employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013 who were not previously CalPERS members will also see their contribution rates rise under AB 340.

Portions of the above disclosures are primarily derived from information that has been produced by CalPERS, its independent accountants and its actuaries. The City has not independently verified such information and neither makes any representations nor expresses any opinion as to the accuracy of the information that has been provided by CalPERS.

The comprehensive annual financial reports of CalPERS are available on CalPERS' Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information that concerns benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. The City, the Authority and the Underwriter cannot guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future.

The City's Miscellaneous Plan had a total net pension liability of \$29,759,026 for Fiscal Year 2021 (as of the measurement date of June 30, 2020), of which approximately \$5,059,034 was attributable to the Water System. The net pension liability is the difference between the total pension liability and the fair market value of pension assets. The City's total pension assets include funds that are held by CalPERS, and its net pension asset or liability is based on such amounts. For Fiscal Year 2020, the City incurred Miscellaneous Plan pension expenses of \$7,141,434.

A summary of principal assumptions and methods used to determine the total pension liability for Fiscal Year 2021 is shown below.

Table 16
City of Pittsburg

Actuarial Assumptions for CalPERS Miscellaneous Plan

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Market Value of Assets
<i>Actuarial Assumptions:</i>	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by entry age and service
Investment Rate of Return	7.15% net of pension plan investment and administrative expenses; includes projected inflation rate of 2.50%
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data from a 2017 actuarial experience study for the period from 1997-2015.
Source: City.

Changes in the net pension liability for the City's pension plans in Fiscal Year 2021 were as follows:

**Table 17
City of Pittsburg
Changes in CalPERS Miscellaneous Plan Net Pension Liability**

	<i>Increase / (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability / (Asset)</i>
Balance at June 30, 2019	\$ 104,439,592	\$ 78,141,469	\$ 26,298,123
Balance at June 30, 2020	<u>111,326,819</u>	<u>81,567,793</u>	<u>29,759,026</u>
Net Changes for period from July 1, 2019 through June 30, 2020	\$ 6,887,227	\$ 3,426,324	\$ 3,460,903

Source: City.

The table below presents the net pension liability of the City's pension plans, calculated using the discount rate applicable to Fiscal Year 2021 (7.15%), as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the Fiscal Year 2020 rate:

**Table 18
City of Pittsburg
Sensitivity of CalPERS Miscellaneous Plan Net Pension Liability
to Changes in the Discount Rate**

<i>Plan's Net Pension Liability/(Asset)</i>	<i>Discount Rate – 1% (6.15%)</i>	<i>Applicable Discount Rate (7.15%)</i>	<i>Discount Rate + 1% (8.15%)</i>
Miscellaneous Plan	\$45,900,860	\$29,759,026	\$16,515,319

Source: City.

CCERA Pension Liability. Between July 1, 1973 and June 30, 2001, the City provided retirement benefits to its employee groups by contracting with the Contra Costa County Employees' Retirement Association ("CCERA"). The City converted to the CalPERS retirement system effective July 1, 2001 and entered into a Termination Withdrawal Agreement with CCERA that resulted in the following consequences: (i) CCERA retained the obligation to provide future benefits to the City's past retirees and vested members

that had left the City's employment prior to July 1, 2001; and (ii) the City agreed to provide retirement benefits through CalPERS for current and future employees.

As of June 30, 2001, the City's accrued liability and allocated assets was determined to be \$31,483,218. In the Termination Withdrawal Agreement, the City and CCCERA agreed that, due to market fluctuation and uncertainty associated with actuarial assumptions, the unfunded accrued liability would be recomputed every three years as CCCERA's triennial experience studies are completed.

As of the most recent triennial update (undertaken in December 2019), the City's liability to CCCERA was determined to be \$5,816,843, resulting in 15 annual payments of \$660,633 at an interest rate of 7.0% per annum commencing June 30, 2020. As of June 30, 2021, the Net Pension Liability under the terminated CCCERA plan was \$5,563,389.

The City's projections of Operation and Maintenance Costs under the caption "—Projected Operating Results and Debt Service Coverage" do not assume unusual increases in pension funding expenses in the future. However, future changes in funding policies and assumptions, including those related to assumed rates of investment return, could trigger increases in the City's annual required contributions, and such increases could be material to the finances of the City. No assurance can be provided that such expenses will not increase significantly in the future. The City does not expect that any increased funding of pension benefits will have a material adverse effect on the ability of the City to pay the Series 2022 Installment Payments.

For additional information relating to the City's CalPERS Miscellaneous pension plan, see Note 11 to the City's audited financial statements set forth in Appendix A.

Other Post-Employment Benefits. In addition to the pension benefits that are described under the subcaption "—Pension Obligations," the City provides certain health care benefits for retired employees and eligible dependents ("**OPEB**"). Such benefits constitute an Operation and Maintenance Cost of the Water System that is payable prior to the Series 2022 Installment Payments.

Substantially all of the City's full-time employees who are eligible for pension benefits may become eligible for such OPEB. As of June 30, 2021, 117 employees met the eligibility requirements, 159 inactive employees were entitled to but not yet receiving benefits and 1 retiree received benefits under the plan. Actuarially determined contributions of \$2,201,943, \$2,038,794 and \$726,643 were recognized for OPEB in Fiscal Years 2019, 2020 and 2021, respectively.

The City has elected to fund its OPEB contributions through the California Employers' Retiree Benefit Trust Fund ("**CERBT**"), an agent, multiple-employer plan that is administered by CalPERS, which acts as a common investment and administrative agent for participating public employers. CERBT plan assets are irrevocable and may not be used for any purpose other than funding OPEB.

GASB Statement No. 75 ("**GASB 75**") requires governmental agencies to account for and report outstanding obligations and commitments related to OPEB in essentially the same manner as for pensions. For the City, the reporting obligation began in Fiscal Year 2018. While requiring the City to disclose the unfunded actuarial accrued liability and the annual required contribution (the actuarial value of benefits earned during a Fiscal Year plus costs to amortize the unfunded actuarial accrued liability, or "**OPEB ARC**") in its financial statements, GASB 75 does not require the City to fund the OPEB ARC.

The City retained an actuarial consultant to calculate the City's OPEB funding status. In a report dated June 30, 2019 (the "**Report**"), the consultant concluded that: (i) the City's actuarial accrued liability for post-employment benefits based upon a 6.75% discount rate was \$36,023,268 as of June 30, 2021; and (ii) the unfunded actuarial accrued liability was \$41,579,148 as of June 30, 2021.

Changes in the net liability for the City's OPEB plan were as follows.

Table 19
City of Pittsburgh
Changes in OPEB Plan Liability

	<i>Increase / (Decrease)</i>		
	<i>Total OPEB Plan Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net OPEB Plan Liability / (Asset)</i>
Balance at June 30, 2019	\$40,397,163	\$4,885,804	\$35,511,359
Balance at June 30, 2020	<u>41,579,148</u>	<u>5,555,880</u>	<u>36,023,268</u>
Net Changes for period from July 1, 2019 through June 30, 2020	\$ 1,181,985	\$ 670,076	\$ 511,909

Source: City.

The following table presents the net liability of the City’s OPEB plan, calculated using the discount rate applicable to Fiscal Year 2020 (6.75%), as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the Fiscal Year 2020 rate:

Table 20
City of Pittsburgh
Sensitivity of the OPEB Plan Net Liability to Changes in the Discount Rate

	<i>Discount Rate – 1% (5.75%)</i>	<i>Applicable Discount Rate (6.75%)</i>	<i>Discount Rate + 1% (7.75%)</i>
Plan’s Net Liability/(Asset)	\$41,274,387	\$36,023,268	\$31,673,988

Source: City.

The City’s projections of Operation and Maintenance Costs under the caption “—Projected Operating Results and Debt Service Coverage” do not assume unusual increases in OPEB funding expenses in the future. However, future changes in funding policies and assumptions, including those related to assumed rates of investment return and healthcare cost inflation, could trigger increases in the City’s annual required contributions, and such increases could be material to the finances of the City. No assurance can be provided that such expenses will not increase significantly in the future. The City does not expect that any increased funding of OPEB will have a material adverse effect on the ability of the City to pay the Series 2022 Installment Payments.

For additional information relating to the OPEB plan, see Note 12 to the City’s audited financial statements set forth in Appendix A.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Article XIII B

Article XIII B of the State Constitution limits the annual appropriations of the State and of any city, county, school district, authority, special district or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and population. The “base year” for establishing such appropriation limit is the 1978-79 State fiscal year and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if: (a) the financial responsibility for a

service is transferred to another public entity or to a private entity; (b) the financial source for the provision of services is transferred from taxes to other revenues; or (c) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations that are subject to Article XIII B generally include the proceeds of taxes levied by or for the State or other entity of local government, exclusive of certain State subventions, refunds of taxes and benefit payments from retirement, unemployment, insurance and disability insurance funds. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to an entity of government from: (i) regulatory licenses, user charges, and user fees (but only to the extent that such proceeds exceed the cost reasonably borne by the entity in providing the service or regulation); and (ii) the investment of tax revenues. Article XIII B includes a requirement that if an entity’s revenues in any year exceed the amounts that are permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Certain expenditures are excluded from the appropriations limit, including payments of indebtedness that were existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the voters, and payments that are required to comply with court or federal mandates which without discretion require an expenditure for additional services or which unavoidably make the provision of existing services more costly.

The City is of the opinion that its charges for Water Service do not exceed the costs that it reasonably bears in providing such service and therefore are not subject to the limits of Article XIII B. See the caption “SECURITY FOR THE BONDS—Rate Covenant” for a description of the City’s covenant to set rates and charges for the Water Service.

Proposition 218

General. An initiative measure (Proposition 218) entitled the “Right to Vote on Taxes Act” (the “**Initiative**”) was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Articles XIII C and XIII D to the State Constitution. According to the “Title and Summary” of the Initiative prepared by the State Attorney General, the Initiative limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.”

Article XIII D. Article XIII D defines the terms “fee” and “charge” to mean “any levy other than an ad valorem tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property-related service.” A “property-related service” is defined as “a public service having a direct relationship to property ownership.” Article XIII D further provides that reliance by an agency on any parcel map (including an assessor’s parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIII D requires that any agency which imposes or increases any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, because fees for water service are a “fee” or “charge” as defined in Article XIII D, the local government’s ability to increase such fees or charges may be limited by a majority protest.

In addition, Article XIII D includes a number of limitations that are applicable to existing fees and charges, including provisions to the effect that: (a) revenues that are derived from the fee or charge may not exceed the funds which are required to provide the property-related service; (b) such revenues may not be used for any purpose other than that for which the fee or charge was imposed; (c) the amount of a fee or charge that is imposed upon any parcel or person as an incident of property ownership may not exceed the proportional

cost of the service attributable to the parcel; and (d) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Based upon the California Court of Appeal decision in *Howard Jarvis Taxpayers Association v. City of Los Angeles*, 85 Cal. App. 4th 79 (2000), which was denied review by the State Supreme Court, it was generally believed that Article XIID did not apply to charges for water and wastewater services that are “primarily based on the amount consumed” (i.e., metered water or wastewater rates), which had been held to be commodity charges related to consumption of the service, not property ownership. The State Supreme Court ruled in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) (the “**Bighorn Case**”), however, that fees for ongoing water service through an existing connection were property-related fees and charges. The State Supreme Court specifically disapproved the holding in *Howard Jarvis Taxpayers Association v. City of Los Angeles* that metered water rates are not subject to Proposition 218. The City complies with the notice, hearing and protest procedures in Article XIID, as further explained by the State Supreme Court in the *Bighorn Case*, with respect to water rate increases.

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) (the “**SJC Case**”) upholding tiered water rates under Proposition 218 provided that the tiers correspond to the actual cost of furnishing service at a given level of usage, including the capital costs of improvements to provide additional increments of water. The opinion included a finding that the City of San Juan Capistrano did not make any attempt to calculate the actual costs of providing water at various tier levels. The City’s current residential water rate structure includes tiered rates based on usage. The City has reviewed the *SJC Case* decision and does not expect the decision to affect its rate structure. The City believes that its current water rates comply with the requirements of Proposition 218 because they are tied to the cost of service and capital improvements, and expects that any future water rate increases will comply with Proposition 218’s procedural and substantive requirements to the extent applicable thereto.

Article XIIC. Article XIIC provides that the initiative power may not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges is applicable to all local governments. Article XIIC does not define the terms “local tax,” “assessment,” “fee” or “charge,” so it was unclear whether the definitions set forth in Article XIID referred to above are applicable to Article XIIC. Moreover, the provisions of Article XIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. On July 24, 2006, the State Supreme Court held in the *Bighorn Case* that the provisions of Article XIIC applied to rates and fees charged for domestic water use. In the decision, the State Supreme Court noted that the decision did not address whether an initiative to reduce fees and charges could override statutory rate setting obligations.

[CITY ATTORNEY TO REVIEW] On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsuir* (9 Cal. 5th 1105 (2020)) holding that taxpayers do not have the right under Proposition 218 to challenge water rates by referendum, and the City does not believe that Article XIIC grants to the voters within the City the power (whether by initiative under Article XIIC or otherwise, or by referendum, which is not authorized under Article XIIC) to repeal or reduce rates and charges for the Water Service in a manner that would interfere with the contractual obligations of the City or the obligation of the City to maintain and operate the Water System. However, there can be no assurance as to the availability of particular remedies adequate to protect the Beneficial Owners of the Bonds. Remedies that are available to Beneficial Owners of the Bonds in the event of a default by the City are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain. So long as the Bonds are held in book-entry form, DTC (or its nominee) will be the sole registered owner of the Bonds and the rights and remedies of the Bond Owners will be exercised through the procedures of DTC.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 applies to charges imposed or increased after November 2, 2010 and provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity. The City believes that its water rates and charges meet the exception that is described in clause (g) above and are not taxes under Proposition 26.

Future Initiatives

Articles XIII B, XIII C and XIII D and Proposition 26 were adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiatives could be proposed and adopted affecting the City’s revenues or ability to increase revenues.

CERTAIN RISKS TO BONDHOLDERS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone could delay or preclude payment of principal or interest on the Bonds.

Limited Obligations

The obligation of the City to pay the Series 2022 Installment Payments is a limited obligation of the City and is not secured by a legal or equitable pledge or charge or lien upon any property of the City or any of its income or receipts, except Revenues of the Water System. The obligation of the City to pay the Series 2022 Installment Payments does not constitute an obligation of the City to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Accuracy of Assumptions

To estimate the Net Revenues available to pay the Series 2022 Installment Payments, the City has made certain assumptions with regard to various matters, including but not limited to future development within the City and increases in revenues resulting therefrom, the rates and charges to be imposed in future

years, the expenses associated with operating the Water System and the interest rate at which funds will be invested. The City believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Net Revenues available to pay the Series 2022 Installment Payments will, in all likelihood, be less than those projected herein. The City may choose, however, to maintain compliance with the rate covenant that is set forth in the Indenture in part by means of contributions from the Rate Stabilization Fund or other available reserves or resources. In such event, Net Revenues may generate amounts which are less than 125% of Debt Service in any given Fiscal Year. See the captions “SECURITY FOR THE BONDS—Rate Covenant,” “SECURITY FOR THE BONDS—Rate Stabilization Fund” and “WATER SYSTEM FINANCIAL INFORMATION—Projected Water System Operating Results and Debt Service Coverage.”

Water System Demand

There can be no assurance that the demand for Water Service will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges in order to comply with the rate covenant. See the caption “SECURITY FOR THE BONDS—Rate Covenant.” Demand for Water Service could be reduced or may not occur as projected by the City as a result of reduced levels of development in the City’s service area, hydrological conditions, an economic downturn (including as a result of the COVID-19 outbreak that is discussed under the caption “THE CITY—COVID-19 Outbreak”), voluntary conservation efforts or mandatory State conservation orders in response to drought conditions and other factors.

System Expenses

There can be no assurance that the City’s expenses will be consistent with the descriptions in this Official Statement. Operation and Maintenance Costs may vary with labor costs (including costs related to pension liabilities and the costs of retaining qualified personnel with the proper certifications to operate Water System treatment and other facilities), water treatment costs, energy costs, regulatory compliance costs, increased imported water purchase costs (including as a result of drought restrictions) and other factors.

Much of the City’s water supply is sold to the City by CCWD, which in turn purchases a large portion of its water from USBR. Increases in CCWD or USBR costs or changes in such agencies’ operations over which the City has no control could impact the City’s cost of water to supply its customers. See the caption “THE WATER SYSTEM—Water Supply—Imported Water.” In addition, continued drought conditions and State or federal orders in response thereto could increase the cost of water for CCWD and/or USBR, which increases would be expected to be passed on to the City. See the caption “THE WATER SYSTEM—Drought Declarations.” Increases in Operation and Maintenance Costs could require an increase in rates or charges in order to comply with the rate covenant. See the caption “SECURITY FOR THE BONDS—Rate Covenant.” Rate increases are subject to the provisions of Proposition 218 and there can be no assurance that the City will be able to increase rates as needed to address increases in Water System expenses. See the caption “—Rate-Setting Process under Proposition 218.”

Limited Recourse on Default

If the City defaults on its obligation to pay the Series 2022 Installment Payments, the Trustee, as assignee of the Authority, has the right to declare the total unpaid principal amount of the Series 2022 Installment Payments, together with the accrued interest thereon, to be immediately due and payable. However, in the event of a default and such acceleration, there can be no assurance that the City will have sufficient funds to pay such accelerated amounts from Net Revenues.

Rate-Setting Process under Proposition 218

Proposition 218, which added Articles XIII C and XIII D to the State Constitution, affects the City’s ability to maintain existing Water System rates and impose rate increases, and no assurance can be given that

future proposals to increase Water System rates will not encounter majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed Water System rate increases cannot be imposed as a result of majority protest or initiative, the City might thereafter be unable to generate Net Revenues in the amounts required by the Installment Purchase Agreement to pay the Series 2022 Installment Payments. The City believes that its current Water System rates approved by the City Council were effected in accordance with the public hearing and majority protest provisions of Proposition 218. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water are enacted and promulgated by federal, State and local government agencies. Compliance with these laws and regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

Claims against the Water System for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the Water System and constitute Operation and Maintenance Costs or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for municipal water systems such as that operated by the City may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the City. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the City to generate Net Revenues in amounts that are sufficient to pay the Bonds.

Natural Disasters

The occurrence of any natural disaster in the City, including, without limitation, earthquake, wildfire, drought, high winds, tsunami, landslide or flood, could have an adverse material impact on the economy within the City and the revenues available for the payment of the Bonds and result in substantial damage to and interference with the operations of the Water System. Significant earthquake faults are located in the region surrounding the City. See the caption “THE WATER SYSTEM—Seismic Considerations.” In addition, wildfires have burned structures near the City in recent years.

The Installment Purchase Agreement does not require the City to maintain earthquake insurance and the City currently does not maintain such insurance. The City maintains liability insurance for the Water System and property casualty insurance (for losses other than from seismic events) for certain portions of the Water System. See the caption “THE CITY—City Insurance.” However, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers. Furthermore, significant portions of the Water System, including underground pipelines, are not covered by property casualty insurance. Damage to such portions of the Water System as a result of natural disasters would result in uninsured losses to the City.

Limitations on Remedies

The ability of the City to comply with its covenants under the Installment Purchase Agreement and to generate Net Revenues in amounts that are sufficient to pay the Series 2022 Installment Payments may be adversely affected by actions and events that are outside of the control of the City and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or persons obligated to pay assessments, fees and charges. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.” Furthermore, the remedies that are available to the owners of the Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

In addition, usual equity principles may limit the specific enforcement under State law of certain remedies, as may the exercise by the United States of America of the powers delegated to it by the federal Constitution and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium proceedings and other laws relating to or affecting creditors' rights, or the exercise of powers by the federal or State government, if initiated, could subject the Beneficial Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations or modification of their rights. Remedies may be limited because the Water System serves an essential public purpose.

The opinion to be delivered by Bond Counsel concurrently with the issuance of the Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Bonds will be similarly qualified. See Appendix C. In the event that the City fails to comply with its covenants under the Installment Purchase Agreement or fails to pay the Series 2022 Installment Payments, which secure the payments of principal of and interest on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interest of the holders of the Bonds.

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Authority and the City have covenanted in the Indenture and the Installment Purchase Agreement, respectively, to comply with the applicable requirements of the Code and not to take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds thereunder. Interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of such Bonds as a result of acts or omissions of the Authority or the City in violation of this or other covenants in the Indenture or the Installment Purchase Agreement. The Bonds are not subject to redemption or any increase in interest rates should an event of taxability occur and will remain outstanding until maturity or prior redemption in accordance with the provisions contained in the Indenture. See the caption "TAX MATTERS."

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history, incomplete or deficient continuing disclosure or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Parity Obligations

The Installment Purchase Agreement permits the City to enter into additional Parity Bonds and Contracts payable from Net Revenues on a parity with the Series 2022 Installment Payments, which secure the Bonds, subject to the terms and conditions set forth therein. The entry into of Parity Bonds and Contracts could result in reduced Net Revenues available to pay the Series 2022 Installment Payments. The City has covenanted to maintain coverage of at least 125% of Debt Service, as further described under the caption "SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts."

Climate Change

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is

expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels. The future fiscal impact of climate change on the City is difficult to predict, but it could be significant and it could have a material adverse effect on the Water System's finances by requiring greater expenditures to counteract the effects of climate change, by changing the business and activities of Water System customers or by increasing the cost or decreasing the availability of water supplies from CCWD. See the captions "—System Expenses" and "THE WATER SYSTEM—Drought Declarations."

Cyber Security

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. Recently, there have been significant cyber security incidents affecting municipal agencies, including a freeze affecting computer systems of the City of Atlanta, an attack on the City of Baltimore's 911 system, an attack on the Colorado Department of Transportation's computers, an attack that resulted in the temporary closure of the Port of Los Angeles' largest terminal and an attack on a water treatment facility in Oldsmar, Florida.

The City uses multiple layers of security systems to safeguard against cyber-attacks. These systems are deployed at the perimeter as well as at end points of the City's network. The City's multi-level cyber protection scheme includes firewalls, anti-virus software, anti-spam/malware software, intrusion protection, intrusion detection, log monitoring and other security measures. One of the systems is artificial-intelligence based, which analyses the behavior of users/devices on the network and takes corrective action if any anomaly is detected. The City's network is also scanned by its finance system auditors on a regular basis.

To date, the City has not experienced a successful attack against its network and servers. However, there can be no assurance that a future attack or attempted attack would not result in disruption of City operations. The City expects that any such disruptions would be temporary in nature due to its backup/restore procedures and disaster recovery planning.

Rate Covenant Not a Guarantee

The Series 2022 Installment Payments, which secure the Bonds, are payable from Net Revenues of the Water System. See the caption "SECURITY FOR THE BONDS." The City's ability to pay the Series 2022 Installment Payments depends on its ability to generate Net Revenues at the levels required by the Installment Purchase Agreement. Although the City has covenanted in the Installment Purchase Agreement to impose rates and charges as more particularly described under the caption "SECURITY FOR THE BONDS—Rate Covenant," and although the City expects that sufficient Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in amounts that are sufficient to pay the Series 2022 Installment Payments. Among other matters, the availability of and demand for water and changes in law and government regulations could adversely affect the amount of Revenues realized by the City. The failure to generate sufficient Revenues to pay the Series 2022 Installment Payments does not constitute a default or Event of Default under the Installment Purchase Agreement or the Indenture, provided that the City has set rates and charges at levels that it reasonably expects will generate sufficient Revenues at the beginning of each Fiscal Year.

Risks Associated with Bond Insurance

In the event that the Authority defaults in the payment of principal of or interest on the Insured Bonds when due, the owners of the Insured Bonds will have a claim under the Policy for such payments. See the caption "BOND INSURANCE." In the event that the Insurer becomes obligated to make payments with respect to the Insured Bonds, no assurance can be given that such event will not adversely affect the market for

the Bonds. In the event that the Insurer is unable to make payment of principal of and interest on the Insured Bonds when due under the Policy, the Insured Bonds will be payable solely from Series 2022 Installment Payments (which are payable solely from Water System Revenues) and amounts held in certain funds and accounts established under the Indenture, as described under the caption “SECURITY FOR THE BONDS.”

The long-term rating on the Insured Bonds is dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer’s financial strength and claims-paying ability are predicated upon a number of factors which could change over time. If the long-term ratings of the Insurer are lowered, such event could adversely affect the market for the Bonds. See the caption “RATINGS.”

None of the Authority, the City or the Underwriter has made an independent investigation of the claims-paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is being made by the Authority, the City or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Insured Bonds, potential investors should carefully consider the ability of the City to pay Series 2022 Installment Payments from Water System Revenues, assuming that the Policy is not available to make payments on the Insured, and the claims-paying ability of the Insurer through final maturity of the Insured Bonds.

So long as the Policy remains in effect and the Insurer is not in default of its obligations thereunder, the Insurer has certain notice, consent and other rights under the Indenture and will have the right to control all remedies for default under the Indenture with respect to the Insured Bonds. The Insurer is not required to obtain the consent of the owners of the Insured Bonds with respect to the exercise of remedies. See Appendix B.

THE AUTHORITY

The Authority is a public body that is duly organized and existing under the Joint Exercise of Powers Agreement, dated January 1, 1991 (the “**JPA Agreement**”), by and between the City and the Successor Agency to the Redevelopment Agency of the City of Pittsburg (the “**Successor Agency**”), and under the Constitution and laws of the State. The Authority was formed for the purpose of assisting in the financing and refinancing of capital improvement projects of the City and related entities and to finance working capital for the City by exercising the powers referred to in the JPA Agreement, including the power to issue bonds to pay the costs of public improvements. Neither the City nor the Successor Agency is responsible for repayment of the obligations of the other. The members of the Board of Directors of the Authority are the Mayor and members of the City Council of the City.

APPROVAL OF LEGAL PROCEEDINGS

The valid, legal and binding nature of the Bonds is subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, acting as Bond Counsel. The form of such legal opinion is set forth in Appendix C, and such legal opinion will be attached to each Bond. Certain matters will be passed upon for the City and the Authority by the City Attorney, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel, for the Underwriter by its counsel, Norton Rose Fulbright US LLP, for the Insurer by its counsel and for the Trustee by its counsel.

LITIGATION

City

At the time of delivery of and payment for the Bonds, the City will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the City, threatened against the City affecting the existence of the City or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the

sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Installment Purchase Agreement and the Indenture, or that could have a material adverse effect on the City's ability to pay the Series 2022 Installment Payments, in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, the Installment Purchase Agreement or any action of the City contemplated by any of said documents, in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any of said documents, nor to the knowledge of the City, is there any basis therefor.

Authority

At the time of delivery of and payment for the Bonds, the Authority will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority affecting the existence of the Authority or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Installment Purchase Agreement and the Indenture, or that could have a material adverse effect on the Authority's ability to pay the Bonds, in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, the Installment Purchase Agreement or any action of the Authority contemplated by any of said documents, in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto or contesting the powers of the Authority or its authority with respect to the Bonds or any action of the Authority contemplated by any of said documents, nor to the knowledge of the Authority, is there any basis therefor.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel ("**Bond Counsel**"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the Authority, the City and others and is subject to the condition that the Authority and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Authority and the City have covenanted to comply with all such requirements.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated prepayment price at maturity of such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner's basis in the applicable Bond. The amount of original issue discount that accrues to the Beneficial Owner of a Bond is excluded from the gross income of such Beneficial Owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received with respect to the Bonds), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar municipal obligations). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE BONDS, INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the Authority and the City continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest (and original issue discount) on the Bonds become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

A copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C.

CONTINUING DISCLOSURE

The City has covenanted in a Continuing Disclosure Certificate, dated the date of issuance of the Bonds (the “**Continuing Disclosure Certificate**”), for the benefit of the Owners and Beneficial Owners of the Bonds, to provide certain financial information and operating data relating to the City by not later than each March 31 following the end of the City’s Fiscal Year (currently its Fiscal Year ends on June 30) (the “**Annual Report**”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the City with EMMA. The specific nature of the information to be contained in the Annual Report and the notice of enumerated events is set forth in Appendix E. These covenants have been made in order to assist the Underwriter in complying with Section (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The City and the Successor Agency [DISCLOSURE RE PAST COMPLIANCE TO COME]. In order to assure compliance with its continuing disclosure obligations going forward, the City has retained NHA Advisors, LLC to assist it with the submission of continuing disclosure filings under the Continuing Disclosure Certificate. In addition, the City’s debt management policy includes continuing disclosure compliance policies and procedures. See the caption “THE CITY—Governance and Management—Management Policies—Debt Management Policy.”

RATINGS

S&P has assigned the rating of “[]” to the Insured Bonds based upon the delivery of the Policy by the Insurer at the time of issuance of the Bonds. S&P has also assigned the Bonds the rating of “[]” notwithstanding the delivery of the Policy for the Insured Bonds.

A rating is not a recommendation to buy, sell or hold securities. Future events, including the impacts of the COVID-19 pandemic that is described under the caption “THE CITY—COVID-19 Outbreak,” could have an adverse impact on the rating of the Bonds, and there is no assurance that any credit rating that is given to the Bonds will be maintained for any period of time or that the rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such qualification, downgrade, lowering or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The rating reflects only the views of S&P (which views and criteria could change at any time), and an explanation of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it (which may include information and material from the City that is not included in this Official Statement) and on investigations, studies and assumptions of its own.

The City has covenanted in the Continuing Disclosure Certificate to file notices of any rating changes on the Bonds with EMMA. See the caption “CONTINUING DISCLOSURE” and Appendix E. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agencies prior to the time that such information is provided to the City and prior to the date by which the City is obligated to file a notice of rating change. Purchasers of the Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings with respect to the Bonds after the initial issuance of the Bonds.

In providing a rating on the Bonds, S&P may have performed independent calculations of coverage ratios using its own internal formulas and methodology, which may not reflect the provisions of the

Installment Purchase Agreement or the Indenture. The City and the Authority make no representations as to any such calculations, and such calculations should not be construed as a representation by the City or the Authority as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

None of the Authority, the City or the Underwriter makes any representation as to the Insurer's creditworthiness and no representation that the Insurer's credit rating will be maintained in the future. S&P has previously taken action to downgrade the ratings of certain municipal bond insurers and has published various releases outlining the processes that S&P intends to follow in evaluating the ratings of financial guarantors. For some financial guarantors, the result of such evaluations could be a rating affirmation, a change in rating outlook, a review for downgrade or a downgrade. Potential investors are directed to S&P for additional information on S&P's evaluations of the financial guaranty industry and individual financial guarantors, including the Insurer. See the caption "BOND INSURANCE" for further information relating to the Insurer.

MUNICIPAL ADVISOR

The City has retained NHA Advisors, LLC, San Rafael, California (the "**Municipal Advisor**") as its municipal advisor in connection with the sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained herein.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co. (the "**Underwriter**") pursuant to a purchase agreement, dated the date hereof, by and among the Authority, the City and the Underwriter. The Underwriter will purchase the Bonds from the Authority at an aggregate purchase price of \$____, representing the principal amount of the Bonds, plus/less \$____ of net original issue premium/discount and less \$____ of Underwriter's discount.

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel and counsel to the Underwriter are contingent upon the issuance and delivery of the Bonds.

MISCELLANEOUS

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

**CITY OF PITTSBURG PUBLIC FINANCING
AUTHORITY**

By: _____
Chair

CITY OF PITTSBURG

By: _____
City Manager

APPENDIX A
CITY FINANCIAL STATEMENTS

APPENDIX B

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT PURCHASE AGREEMENT AND THE INDENTURE

The following is a summary of certain provisions of the Installment Purchase Agreement and the Indenture that are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the applicable document for a full and complete statement of the provisions thereof.

[TO COME FROM BOND COUNSEL].

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

May __, 2022

City of Pittsburg Public Financing Authority
c/o City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565

Re: \$_____ City of Pittsburg Public Financing Authority Water Revenue Bonds, Series 2022A

Members of the Board of Directors:

We have acted as Bond Counsel to the City of Pittsburg Public Financing Authority (the "Authority") in connection with the issuance of \$_____ aggregate principal amount of City of Pittsburg Public Financing Authority Water Revenue Bonds, Series 2022A (the "Bonds"). The Bonds have been issued by the Authority pursuant to the terms of the Indenture of Trust, dated as of May 1, 2022 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are limited obligations of the Authority payable solely from payments to be made by the City of Pittsburg (the "City") to the Authority pursuant to an Installment Purchase Agreement, dated as of May 1, 2022 (the "Installment Purchase Agreement"), by and between the City and the Authority, and from certain funds and accounts established under the Indenture.

In connection with our representation, we have examined a certified copy of the proceedings relating to the Bonds. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

Based upon the foregoing and after examination of such questions of law as we have deemed relevant in the circumstances, but subject to the limitations set forth herein, we are of the opinion that:

1. The proceedings of the Authority show lawful authority for the issuance and sale by the Authority of the Bonds under the laws of the State of California (the "State") now in force, and the Indenture has been duly authorized, executed and delivered by the Authority. Assuming due authorization, execution and delivery by the Trustee, as appropriate, the Bonds and the Indenture are valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

2. The obligation of the Authority to make the payments of principal and interest on the Bonds from Authority Revenues (as such term is defined in the Indenture) is an enforceable obligation of the Authority and does not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limit or restriction.

3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and

is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

4. Interest (and original issue discount) on the Bonds is exempt from State personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated prepayment price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond Owner will increase the Bond Owner's basis in the applicable Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Owner of a Bond is excluded from the gross income of such Owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

6. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions that are expressed herein as to the exclusion from gross income of interest on the Bonds are based upon certain representations of fact and certifications made by the City and the Authority and are subject to the condition that the City and the Authority comply with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds to assure that interest on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City and the Authority have covenanted to comply with all such requirements.

The opinions that are expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds terminates on the date of their issuance. The Indenture, the Installment Purchase Agreement and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest on the Bonds for federal income tax purposes if any such action is taken or omitted based upon the opinion or advice of counsel other than ourselves. Other than expressly stated herein, we express no other opinion regarding tax consequences with respect to the Bonds.

Our opinion is limited to matters governed by the laws of the State and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The opinions that are expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Indenture, the Installment Purchase Agreement and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable

principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the Owners of the Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX D

INFORMATION CONCERNING DTC

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority, the City and the Underwriter believe to be reliable, but none of the Authority, the City or the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value, if any, and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts

such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon the issuance of the Bonds, the City proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by the City of Pittsburg (the “**City**”) in connection with the issuance of the City of Pittsburg Public Financing Authority Water Revenue Bonds, Series 2022A (the “**Bonds**”) by the City of Pittsburg Public Financing Authority (the “**Authority**”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of May 1, 2022 (the “**Indenture**”), by and between the City and U.S. Bank Trust Company, National Association, as trustee. The City covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term “Annual Report” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term “Beneficial Owner” means any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

EMMA. The term “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Financial Obligation. The term “Financial Obligation” means a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year.

Holder. The term “Holder” means a registered owner of the Bonds.

Listed Events. The term “Listed Events” means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term “Official Statement” means the Official Statement relating to the Bonds dated May __, 2022 delivered in connection with the issuance of the Bonds.

Participating Underwriter. The term “Participating Underwriter” means the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule. The term “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The City shall provide not later than each March 31 following the end of its Fiscal Year (commencing March 31, 2023 with the Annual Report for Fiscal Year 2022) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the City is unable to provide to EMMA an Annual Report by the date required in subsection (a), the City shall send to EMMA a notice in substantially the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed under the preceding clause (a), the Annual Report shall contain information showing the following information for the most recently completed Fiscal Year:

(i) The City's current water rates, in substantially the form of Tables 6 and 7 in the Official Statement;

(ii) Water supply and water consumption for the most recently completed Fiscal Year and percentage change from the prior Fiscal Year, in substantially the form of Tables 1 and 2 in the Official Statement;

(iii) The ten largest Water System's accounts for the most recently completed Fiscal Year based on total revenue to the Water System, in substantially the form of Table 5 in the Official Statement;

(iv) The Water System's billings and collections for the most recently completed Fiscal Year;

(v) Any additional indebtedness incurred during the most recently completed Fiscal Year which is payable from revenues of the Water System on a parity with the Series 2022 Installment Payments; and

(vi) Net Revenues received by the City during the most recently completed Fiscal Year, and the amount of debt service coverage provided thereby (expressed as a percentage of total Net Revenues to total debt service on the Series 2022 Installment Payments and any Parity Debt in such Fiscal Year), substantially in the form of Table 13 in the Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission; provided that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further that the City shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and
10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. modifications to the rights of Bondholders;
3. optional, unscheduled or contingent Bond calls;
4. release, substitution or sale of property securing repayment of the Bonds;
5. non-payment related defaults;
6. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. appointment of a successor or additional trustee or the change of the name of a trustee; and

8. incurrence of a Financial Obligation of the City, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders.

(c) If the City determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.

6. Customarily Prepared and Public Information. Upon request, the City shall provide to any person financial information and operating data regarding the City which is customarily prepared by the City and is publicly available.

7. Termination of Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Holders or Beneficial Owners of at least 50% aggregate principal amount of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the City, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: May __, 2022

CITY OF PITTSBURG

By: _____
Its: City Manager

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

APPENDIX G

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY OF PITTSBURG

The information in this section of the Official Statement is presented as general background data. The Bonds are payable solely from Water System Revenues of the City of Pittsburg (the “City”) and other sources as described in the Official Statement. The taxing power of the City, the County of Contra Costa (the “County”), the State of California, or any political subdivision thereof is not pledged to the payment of the Bonds.

Although reasonable efforts have been made to include up-to-date information in this Appendix, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein. In particular, certain of the tables in this Appendix include data for periods prior to the outbreak of COVID-19 and may not reflect current information.

Introduction

City of Pittsburg. The City is located in the north central area of the County, in the East Bay area of the San Francisco Bay region. The City is approximately 40 miles northeast of San Francisco and 70 miles southwest of Sacramento, at the western end of the Sacramento-San Joaquin River Delta (the “Delta”), and along the southern bank of a water body known as Suisun Bay. Suisun Bay flows into the San Pablo Bay northeast of San Francisco and the City therefore has water access to the Pacific Ocean.

The City had a population of approximately 74,498 as of January 1, 2021 and covers approximately 19 square miles. The City was founded in 1849 and incorporated in 1980 as a general law city operating under a council/manager form of government.

The City provides police protection, street construction and maintenance, housing and planning and building services, as well as parks and recreational programs and water, wastewater and stormwater service. The City contracts with the Contra Costa County Fire Protection District for fire protection services. The City has a large industrial and port complex on Suisun Bay and is accessible by water from the Pacific Ocean.

Land use in the City is predominantly residential, although the City also has a large industrial and port complex along Suisun Bay. The City is located directly north of Mt. Diablo State Park, a 20,000 acre state park that features, hiking, bicycling and equestrian trails and camping, picnic and day use facilities, as well as the 3,849 foot Mt. Diablo, which is visible from much of the San Francisco Bay region.

The City expects the development of approximately 8,000 additional residential units in the City in the next 20 years, some of which are currently under construction. The City expects its population to be approximately 103,000 at full buildout in approximately 2040.

Contra Costa County. The County was established by an act of the State Legislature on February 18, 1850 as one of California’s original 27 counties. Located in the San Francisco Bay region in the northern part of the State, the County covers 804 square miles east of San Francisco. The County’s population is approximately 1.16 million. The County’s seat is the City of Martinez.

Governance and Management

The City operates under a council/manager form of government. Councilmembers and the Mayor are elected at large. The City Manager, appointed by the City Council, serves as the City’s chief administrative officer and is responsible for overseeing the daily operations of City departments and efficient management of all City business. Functions of the City Manager’s Office include coordination of the implementation of City

Council policies and programs; providing overall direction to the departments that administer City programs and services; coordinating intergovernmental relations and legislative advocacy; and administration of the City’s communications, media relations and public information programs.

The current mayor and city council members are set forth below:

CITY COUNCIL OF THE CITY OF PITTSBURG

<i>Name</i>	<i>Position</i>	<i>Term Expires</i>
Holland Barrett White	Chair	
Shanelle Scales-Preston	Vice Chair	
Juan Antonio Banales	Director	
Jelani Killings	Director	
Merl Craft	Director	

Population

The table below summarizes population of the City, the County, and the State of California for the last five years.

**CITY OF PITTSBURG, CONTRA COSTA COUNTY AND CALIFORNIA
Population**

<i>Year</i>	<i>City of Pittsburg</i>	<i>Contra Costa County</i>	<i>State of California</i>
2017	71,423	1,137,577	39,352,398
2018	73,138	1,143,188	39,519,535
2019	73,640	1,147,623	39,605,361
2020	74,501	1,149,853	39,648,938
2021	74,498	1,153,854	39,466,855

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-2021, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State of California and the United States:

CONTRA COSTA COUNTY, CALIFORNIA AND UNITED STATES Civilian Labor Force, Employment, and Unemployment (Annual Averages)

<i>Year</i>	<i>Area</i>	<i>Labor Force</i>	<i>Employment</i>	<i>Unemployment</i>	<i>Unemployment Rate⁽¹⁾</i>
2017	Contra Costa County	557,900	536,300	21,600	3.9%
	California	19,185,400	18,258,100	927,300	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	Contra Costa County	560,200	542,100	18,100	3.2%
	California	19,289,500	18,468,100	821,400	4.3
	United States	162,075,000	155,761,000	6,314,000	3.9
2019	Contra Costa County	560,700	543,100	17,600	3.1%
	California	19,409,400	18,612,600	796,800	4.1
	United States	163,539,000	157,538,000	6,001,000	3.7
2020	Contra Costa County	545,500	495,900	49,600	9.1%
	California	18,931,100	16,996,700	1,934,500	10.2
	United States	160,742,000	147,795,000	12,947,000	8.1
2021 ⁽²⁾	Contra Costa County	542,400	507,900	34,500	6.4%
	California	18,923,200	17,541,900	1,381,200	7.3
	United States	161,204,000	152,581,000	8,623,000	5.3

⁽¹⁾ The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

⁽²⁾ Latest available full-year data.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. 2021 Benchmark.

Largest Employers in the City

The table below sets forth the ten largest employers in the City in 2021.

CITY OF PITTSBURG Largest Employers

<i>Rank</i>	<i>Employer</i>	<i>Employees</i>
1.	Pittsburg Unified School District	1,274
2.	Los Medanos Community College	719
3.	USS- Posco Industries	634
4.	Dow Chemical Company	370
5.	City of Pittsburg	267
6.	Walmart	250
7.	Ramar Foods	187
8.	Angelica Corporation (Laundry)	180
9.	Target	163
10.	WinCo Foods	145

Source: City of Pittsburg Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.

Largest Employers in the County

The table below sets forth the ten largest employers in the County in 2021.

CONTRA COSTA COUNTY Largest Employers

<i>Rank</i>	<i>Employer</i>	<i>Employees</i>
1.	Chevron Corporation	10,000+
2.	Kaiser Permanente	10,000+
3.	Bio-Rad Laboratories, Inc.	1,000-4,999
4.	John Muir Medical Center	1,000-4,999
5.	La Raza Market	1,000-4,999
6.	USS-POSCO Industries	1,000-4,999

Source: County of Contra Costa Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.

Construction Activity

The following table reflects the history of building permit valuation for the City and the County for the most recent five-year period for which information is available:

CITY OF PITTSBURG Building Permits and Valuation (Dollars in Thousands)

	2016	2017	2018	2019	2020
Valuation					
Residential	\$ 36,624	\$ 30,568	\$ 14,298	\$ 21,447	\$ 19,937
Non-Residential	<u>24,153</u>	<u>--</u>	<u>77,361</u>	<u>--</u>	<u>15,254</u>
Total	\$ <u>60,777</u>	\$ <u>30,568</u>	\$ <u>91,659</u>	\$ <u>21,447</u>	\$ <u>35,191</u>
Units					
Single Family	168	156	70	103	101
Multi Family	<u>230</u>	<u>--</u>	<u>65</u>	<u>--</u>	<u>84</u>
Total	398	156	135	103	285

Note: Totals may not add to sum due to rounding.

Source: Construction Industry Research Board.

CONTRA COSTA COUNTY Building Permits and Valuation (Dollars in Thousands)

	2016	2017	2018	2019	2020
Valuation					
Residential	\$ 605,152	\$ 541,941	\$ 576,116	\$ 502,568	\$ 458,504
Non-Residential	<u>155,052</u>	<u>55,155</u>	<u>169,461</u>	<u>213,698</u>	<u>203,967</u>
Total	\$ <u>760,204</u>	\$ <u>597,096</u>	\$ <u>745,577</u>	\$ <u>716,266</u>	\$ <u>662,471</u>
Units					
Single Family	1,853	1,732	1,647	1,573	1,525
Multi Family	<u>1,043</u>	<u>272</u>	<u>1,161</u>	<u>1,229</u>	<u>1,243</u>
Total	2,896	2,004	2,808	2,802	2,768

Note: Columns may not sum to totals due to independent rounding.

Source: Construction Industry Research Board: "Building Permit Summary."



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Introduction and Waive Further Reading of an Ordinance Adding Chapter 10.61 to Title 10, Prohibiting Spectators at Illegal Speed Contests, Exhibitions of Speed or Sideshows

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

Vehicle exhibitions and street racing have been a recurring concern for the health and safety of motorists, pedestrians, and residents in the City. These activities have caused fatal collisions, property damage and traffic congestion; creating a public nuisance. Illegal speed contests, exhibitions of speed, and sideshows pose a clear danger to the residents of the City and the motoring public traveling on the roadways within the City. Current State law does not allow for enforcement on private property, where many of these events occur. The purpose of the proposed ordinance is to prohibit spectators at illegal racing events with the aim of significantly curbing the criminal activity.

FISCAL IMPACT

No fiscal impact by the adoption of this Ordinance.

RECOMMENDATION

Staff recommends the City Council introduce and waive first reading of an ordinance adding Chapter 10.61 to the Pittsburg Municipal Code Title 10.

BACKGROUND

Sideshows and street racing events have become a consistent issue for law enforcement. Larger cities in the Bay Area and the Central Valley have seen an increase in the frequency of these illegal street racing activities. Street racing threatens the health and safety of the public, interferes with the pedestrian and vehicular traffic, and creates a public nuisance. In addition, there have been numerous examples of these events being accompanied by gunfire, which can often result in death and serious injuries.

At speed contests and exhibitions of speed, street racers accelerate to high speeds without regard to oncoming traffic, pedestrians, or vehicles parked or moving nearby. In most situations, sideshows attract hundreds of spectators to gather on the streets late at night and in the early morning hours, blocking the streets and sidewalks to traffic, to form a racetrack area for stunt or reckless driving. The spectators provide protection to those drivers by blocking roadways, which prevents law enforcement from approaching or contacting the reckless drivers. The spectators provide significant motivation for the sideshows, as the crowd size and participation encourage the actual drivers to engage in the activity.

SUBCOMMITTEE FINDINGS

This item was presented to the Public Safety Subcommittee on March 1, 2022.

STAFF ANALYSIS

Vehicle Code sections 23103 through 23109 provide that motor vehicle speed contests and exhibitions of speed conducted on public streets and highways are illegal. However, State law currently does not address spectators at these events and is silent about these events, drivers, and spectators that occur on private property.

The proposed ordinance would prohibit spectators at illegal street racing events, provide notice as to what activities are lawful and unlawful, and identify penalties for violations of this ordinance. In response to illegal street racing and sideshow activities, several cities have adopted ordinances banning spectators at street racing events. These cities have reported that these ordinances are an effective tool to combat dangerous activities and to limit spectator involvement at street racing, exhibitions of speed, and sideshows.

ATTACHMENTS: Ordinance

Report Prepared By: Brian Addington, Chief of Police

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Amending Pittsburg Municipal Code Title 10 to Add)
Chapter 10.61 To Prohibit Spectators at Illegal) ORDINANCE NO. 22-
Speed Contests, Exhibitions of Speed, or Side Shows)

WHEREAS, pursuant to the City's police power under Article XI Section 7 of the California Constitution, the City Council of the City of Pittsburg has the authority to enact and enforce ordinances and regulations for the public peace, morals, and welfare of the City and its residents; and

WHEREAS, vehicle exhibitions and street racing have been a recurring concern for the health and safety of motorists, pedestrians, and residents in the city of Pittsburg. These activities have caused fatal collisions, property damage and traffic congestion, creating a public nuisance; and

WHEREAS, Illegal speed contests, exhibitions of speed, and sideshows pose a clear danger to the residents of the City and the motoring public traveling on the roadways within the City; and

WHEREAS, the purpose of the proposed ordinance is to prohibit spectators at these illegal racing events with the aim of significantly curbing the criminal activity.

NOW, THEREFORE, the City Council of the City of Pittsburg Does ORDAIN as follows:

Section 1. Findings. The City Council finds that each fact set forth in the preceding recitals is true and correct and incorporated by reference.

Section 2. Amendment. Chapter 10.61 is hereby added to Pittsburg Municipal Code Title 10 to read as follows:

Chapter 10.61
SPECTATORS OF ILLEGAL SPEED CONTESTS PROHIBITED

Sections:

10.61.010 Definitions.

10.61.020 Spectating of illegal speed contests, exhibitions of speed, or sideshows prohibited.

10.61.030 Relevant circumstances to prove a violation.

10.61.040 Enforcement.

10.61.010 Definitions.

For the purposes of this chapter, the following words and phrases shall have the following meanings:

A. "Illegal motor vehicle speed contest" or "illegal exhibition of speed" means any speed contest or exhibition of speed referred to in Vehicle Code Section 23109, and reckless driving as referred to in Vehicle Code Section 23103.

B. "Preparations for an illegal motor vehicle speed contest, exhibition of speed, or sideshow" include, but are not limited to, situations in which:

1. A group of motor vehicles or individuals has arrived at a location for the purpose of participating in, or being spectators at, the event; or

2. A group of individuals has lined one or both sides of a public street or highway for the purpose of participating in, or being a spectator at, the event; or

3. A group of individuals has gathered on private property without the consent of the owner, operator, or agent thereof for the purpose of participating in, or being a spectator at, the event; or

4. One (1) or more individuals has impeded the free public use of a public street or highway by actions, words, or physical barriers for the purpose of conducting the event; or

5. Two (2) or more vehicles have lined up with motors running for an illegal motor vehicle speed contest, exhibition of speed, or sideshow; or

6. One (1) or more drivers is revving his or her engine or spinning his or her tires in preparation for the event; or

7. An individual is stationed at or near one (1) or more motor vehicles serving as a race starter.

8. "Sideshow" means a gathering, procession, or assemblage of vehicles where vehicles are used to exhibit stunts and maneuvers in the presence of spectators.

9. "Spectator" means any individual who is present at an illegal motor vehicle speed contest, exhibition of speed, or sideshow, or at a location where preparations are being made for such activities, for the purpose of viewing, observing, watching, or witnessing the event as it progresses. "Spectator" includes any individual at the location of the event without regard to whether the individual arrived at the event by driving a vehicle, riding as a passenger in a vehicle, walking, or arriving by some other means.

10.61.20 Spectating of illegal speed contests, exhibitions of speed, or sideshows prohibited.

A. It is unlawful for any individual to:

1. Be knowingly present as a spectator at an illegal motor vehicle speed contest, exhibition of speed, or sideshow; or

2. Be knowingly present as a spectator where preparations are being made for an illegal motor vehicle speed contest, exhibition of speed, or sideshow.

B. An individual is present at an illegal motor vehicle speed contest, exhibition of speed, or sideshow if that individual is on a public street or highway, public property, or on private property without the consent of the owner, operator, or agent thereof, and is within two hundred (200) feet of the location of the event or within two hundred (200) feet of the location where preparations are being made for the event.

C. Exemption. Nothing in this Section prohibits law enforcement officers, medical professionals, firefighters, or their agents from being present at illegal motor vehicle speed contests, exhibitions of speed, or sideshows in the course of their official duties.

10.61.030 Relevant circumstances to prove a violation.

A. Notwithstanding any other provision of law, to prove a violation of section 10.61.020 of this chapter, admissible evidence may include, but is not limited to, any of the following:

1. The time of day;
2. The nature and description of the scene;
3. The number of people at the scene;
4. The location of the individual charged in relation to any individual or group present at the scene;
5. The number and description of motor vehicles at the scene;
6. The activities in which the motor vehicles are engaged;
7. Whether individual charged drove, walked, or was transported to the scene;
8. How long the individual charged was present at the scene of the event;
9. Whether the individual charged has previously participated in an illegal motor vehicle speed contest, exhibition of speed, or sideshow;
10. Whether the individual charged has previously aided and abetted an illegal motor vehicle speed contest, exhibition of speed, or sideshow;
11. Whether the individual charged has previously attended an illegal motor vehicle speed contest, exhibition of speed, or sideshow; or
12. Whether the individual charged previously was present at a location where preparations were being made for an illegal motor vehicle speed contest, exhibition of speed, or sideshow or where an illegal motor vehicle speed contest, exhibition of speed, or sideshow was in progress.

B. The list of circumstances set forth in subsection (a) of this section is not exclusive. Evidence of prior acts may be admissible to show the propensity of the individual charged to be present at or attend an illegal motor vehicle speed contest, exhibition of speed, or sideshow, if the prior act or acts occurred within three (3) years of the presently charged offense. These prior acts may be admissible to show knowledge on the part of the individual charged that an illegal motor vehicle speed contest, exhibition of speed, or sideshow was taking place at the time of the presently charged offense. Prior acts are not limited to those that occurred within the city.

10.61.040 Enforcement.

Any person who violates this chapter is guilty of a misdemeanor subject to a maximum of six (6) months in jail and a fine of \$1,000, unless at the discretion of the district attorney, the violation is reduced to an infraction. The city may seek compliance with this chapter by any remedy allowed under this code and any other remedy allowed by law, including but not limited to the administrative citation procedures set forth in PM 1.20.030. The amount of the administrative fine is \$1,000 for each violation.

Section 3. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

Section 4. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions.

Section 5. Publication. The ordinance shall be posted and published in accordance with the California Government Code.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Pittsburg held on May 2, 2022, and was adopted and ordered published at a meeting of the City Council held on _____, 2022, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Holland Barrett White, Mayor

ATTEST:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: By Minute Order, Accept City Goals Progress Report for Fiscal Years 2020-22 and American Rescue Plan Act Funding Priorities

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

On January 29, 2022, the City Council held a public workshop to discuss the progress report on the two-year goals for Fiscal Years (FY) 2020-22. During the workshop, staff and the facilitator presented updates, responded to questions and received comments from City Council Members regarding goals and priorities. Staff is recommending the City Council accept the Progress Report on City Goals and provide direction on use of the American Rescue Plan Act (ARPA) funds.

FISCAL IMPACT

There is no fiscal impact from the acceptance of the Progress Report on City Goals. It should be noted that direction on ARPA funding preferences will inform and guide financial decisions during the upcoming budget process and throughout the upcoming fiscal year.

RECOMMENDATION

City Council move to accept the Progress Report on City Goals for Fiscal Years 2020-22 and direct staff on the use of American Rescue Plan Act funds by minute order.

BACKGROUND

Each spring, the City Council works with the City Manager to review Department and Division goals and priorities for the coming fiscal year which support the principal goals of the City Council.

The established principal Goals and Objectives of the City Council include the following:

- Public Safety. Prioritize public safety, health, and welfare in the City Budget and when reviewing projects.

- Public Infrastructure. Improve public facilities and infrastructure and increase beautification of City maintained areas.
- Economic Development. Continue economic development through strategic partnerships, promotion of diversified housing, and the retention and growth of new and existing businesses.
- Efficiency. Increase efficiency of City operations and services through technology and streamlined processes.
- Quality of Life. Improve the quality of life for all Pittsburg residents.

Due to Covid-19, the City Council expanded the time frame of the original FY 2020-21 goals to two years, thereby creating the FY 2020-22 City Goals. On January 29, 2022, the City Council held a public workshop, where the City Manager provided the City Council with a review of progress made on the two-year goals adopted for FY 2020-22. The attached FY 2020-22 City Goals contain 27 specific goals and 81 implementation strategies. The specific 27 goals and 81 implementation strategies, along with status and completion dates are attached to this staff report. The City Goals and Implementation Strategies help inform and guide financial decisions during the budget process and throughout the fiscal year.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

The FY 2020-22 City Goals within the attached document are intended to identify areas where the City Council and staff seek to markedly improve City operations, build upon the successes of City departments, and address the ongoing and emerging needs of the community. As such, staff has not included any goals which reflect or are otherwise consistent with the work staff is already undertaking or requirements that have otherwise been adopted or institutionalized. Each departmental goal includes implementation strategies that describe the tasks each department or division will undertake as part of the effort to achieve the stated goal.

The following table is a Progress Report for FY 2020-22 City Goals. Overall, 49% of the goals are currently complete, with an additional 22% expected to be completed by the end of the fiscal year (making the completion percentage 72%). Eighty five percent (85%) should be completed by the end of summer and the final 15% are anticipated to be finished by the end of 2022. Some of the challenges affecting goal completion include General Plan schedule, outside agencies (HUD, CDBG), and completion of the audio/visual improvements in the City Council Chamber.

Department	Goals	Strategies	Completed	FY End	Summer 2022	End 2022	Total	Completion Rate
City Clerk	2	6	2	1	1	2	6	50%
Community Development	2	5	1	0	0	4	5	20%
Community Services	2	5	0	1	3	1	5	20%
Economic Development	4	18	15	0	3	0	18	83%
Engineering	1	4	2	1	1	0	4	75%
Environmental Services	4	7	2	0	2	3	7	29%
Finance	1	3	1	2	0	0	3	100%
Human Resources	2	5	3	2	0	0	5	100%
PPC/IE	1	3	2	1	0	0	3	100%
Police	3	11	8	1	1	1	11	82%
Public Works	2	3	3	0	0	0	3	100%
Recreation	3	11	1	9	0	1	11	91%
Total	27	81	40	18	11	12	81	
% Complete			49%	22%	14%	15%		
Total Completed By End Date				72%	85%	100%		

The City Goals for FY 2020-22 represent a comprehensive workplan created by the City Council and carried out by City staff. The FY 2020-22 City Goals encompass a timeframe that encountered a myriad of hopes and challenges. The Covid-19 pandemic and reopening response (both vaccine and federal monies) were generational in impact. The City encountered supply chain problems and sudden inflation including significant swings in employment. The April 2020 unemployment rate was 18.5% and has dropped to 4.4% in March 2022.

Highlights from the City Goals for FY 2020-22 include by department:

- City Clerk – Engage Pittsburg app, Netfile (electronic filing)
- Community Development – General Plan Workshops, LEAP Planning Grants, Pittsburg Moves Active Transportation Plan, over 1,700 Code Enforcement cases closed and over 1,600 online building permits
- Community Services – DONA program and 25 new citizens with the Naturalization Ceremony, Homeless Shower Program and Cleanups
- Economic Development – Hiring an Economic Development Manager, over \$20 million in supported grants, Skill Up at LMC
- Engineering – PCI increased for the first time in 7 years, 91 CIP projects funded with \$69 million, Bailey Road chip seal, and SCADA upgrades
- Environmental Services – New Marina Management software, Fuel and LED upgrades, CEC Electric Vehicle Training Grant, and implementation of SB 1383
- Finance – NHA is Financial Advisor, Water Bond process, ERP, and increase in Bond Ratings
- Housing Authority – Installed kiosks and increased virtual access
- Human Resources – New telework policies, myriad of training programs and labor extensions
- Police – Public Safety Subcommittee formation and reduction in Part 1 Crimes by 2.1%
- Public Works – New security patrols at parks and 5 new park signs (Buchanan, Hillsdale, Mariner and City Parks)

- Recreation – Youth Advisory Commission creation, expanded services at the Senior Center, Youth Works and Programs helped over 250 youth and new Young Adult Ambassador Program

Other notable results included a new City Website, LS Power Battery Storage Project commissioned, Island Energy revenue up 28%, Hilton Home 2 Suites Hotel approved, basketball court mural at Hillsdale Park, Utility Box artwork, Senator Glazer \$400,000 funding for the California Theatre, Veterans Square opening, Yellow Roof 6-unit project, Citywide Water Automated Meter Project completed and citywide survey conducted.

During the workshop, the City Council and the facilitator, Patrick Ibarra, discussed efforts to bring back normalcy or life similar to pre-pandemic levels. The City Council voiced a desire for more youth activities, working with the unhoused, infrastructure improvement, landscape/city beautification efforts and economic development programs. Notes from Patrick Ibarra are attached to this staff report.

From a resource perspective, the City has a unique opportunity. The Federal Government provided \$16,290,477 in ARPA funds. The City also experienced a FY 2020-21 budget surplus of \$9.6 million and has approximately \$6 million in available Measure M funds and \$8,250,000 in Park Dedication Funds (PDF) over the next 3 years. An ARPA Funding Matrix with recommended ARPA projects (per various subcommittees), budget surplus, Measure M, PDF, and approved City budgeted projects is included as an attachment. This table will be discussed and updated during the staff presentation.

Overall, the City Council has a generational opportunity to Make an Impact with its funding priorities. The discussion on May 2, 2022 will direct staff in Goals, Implementation Strategies, and Budgeted Priorities that will dictate the next three years. The City Goals for FY 2022-23 and ARPA Funding will be included in the FY 2022-23 Budget Document set for City Council approval in June 2022.

ATTACHMENTS: City Goals for FY 2020-22
 Patrick Ibarra Workshop Notes
 ARPA Funding Matrix

Report Prepared By: Garrett Evans, City Manager



Goals/Implementation Strategies	Status/Current Action Underway	Next Milestone	Estimated Completion Date
1 <input type="checkbox"/> City Clerk/Records and Council Services			
2 <input type="checkbox"/> Ensure the City is maintaining and providing transparency and optimal public service.			
3 Implementation Strategy: Stay abreast of rules, regulations, and best practices regarding social media to help the City maintain compliance.	City Clerk staff continues ongoing monitoring and implementation of all statutes pertaining to rules and regulations that would affect the department and the City in general, i.e. Political Reform Act, Brown Act, etc.		Completed.
4 Implementation Strategy: Review process for recruitment of commission vacancies. Goal will be to improve the number of new applications by 10% year over year.	Planning Commission - 4 applicants / 3 openings; CAC - 5 applicants / 3 openings; Youth Commission 2 applicants / 4 openings	Recruitment will be ongoing until all seats are filled.	Summer 2022
5 Implementation Strategy: Identify and analyze resources for open data and technology projects to improve delivery of City services.	GoCities updated to Engage Pittsburgh. The meeting OWL was added to allow virtual and in person abilities. NetFile is active to provide electronic filing of all FPPC forms, including Conflict of Interest 700 forms and Campaign filing. The electronic filing also automatically posts these filings on our website for public viewing, providing full transparency of these documents. The City Clerk's Department has researched the electronic recording of documents at the County Recorder's Office. Electronic recording will negate City staff from having to travel to the County offices in Martinez to have documents recorded, and will provide the record of recording within two days rather than waiting for USPS service.		Completed.
6 <input type="checkbox"/> Utilize technology to enhance transparency and public participation in City Council meetings.			
7 Implementation Strategy: Partner with CCTV to install and begin closed captioning for broadcast of meetings. This will ensure the City is compliant with newly established Federal ADA regulations.	This project was scheduled to be completed by Fall 2020. Granicus system can provide interim closed captioning services whilst waiting for CCTV and Chamber A/V Upgrades.	Full compliance with Federal ADA regulations once the Council Chamber upgrades are in place.	June 2022
8 Implementation Strategy: Work with the IT Department to develop a request for proposal for upgrades to the Council Chamber audio system. RFP to be complete in fall, with project to begin in spring 2021.	RFP was scheduled to be complete in fall, with project to begin in Spring 2021. IT has completed an RFP for design of the project.	RFP for actual construction will be taken to City Council in Spring.	Fall/Winter 2022
9 Implementation Strategy: Assess video quality and potential improvement to video services for all public meetings.	Zoom quality has been corrected. This will be completely addressed with upgrades to the Council Chamber audio/video system.	Upgrade of the full Council Chamber audio/visual system will complete this project.	Fall/Winter 2022
10 <input type="checkbox"/> Community Development			
11 <input type="checkbox"/> Complete long-range planning efforts to establish a road map for development and land use in the future and identify funding sources to support future planning and construction projects.			
12 Implementation Strategy: Complete the Comprehensive General Plan Update. As part of this effort, identify vacant and underutilized areas of the City and land use alternatives. By accomplishing this objective, the City can promote redevelopment of these areas by identifying alternative land uses that would induce reinvestment and reduce blight, as well as meet its prescribed housing planning goals. Redeveloped areas could potentially result in one million square feet of commercial or industrial development and 1,000 housing units.	Preferred land use alternative completed. Notice of preparation of the environmental impact report (EIR) released April 20, 2022 for requisite 30-day scoping window.	Preparation of policy inventory and draft General Plan, as well as Draft EIR.	Fall 2022
13 Implementation Strategy: Complete development of objective design standards for multi-family housing and mixed-use projects. Development of these standards will ensure quality development for projects undergoing design review, as well as projects streamlined under state law, by providing easily identifiable and transparent criteria that will help staff review projects more quickly and developers meet City design standards at the onset of a project application. By removing the subjectivity from the residential design review process, staff time spent on applications will be reduced and application processing times will also be reduced by at least 30%.	Consultant currently preparing draft objective design standards.	Preparation of draft plan and review of objective design standards by the Land Use Subcommittee and Planning Commission.	Fall/Winter 2022
14 <input type="checkbox"/> Create more transparency, predictability, and efficiency for new development proposals.			
15 Implementation Strategy: Update the City's Accessory Dwelling Unit ordinance to comply with state law and develop/provide prototype plans for ADU's to assist their development. By ensuring consistency with state law and providing pre-approved plans, the City will encourage the development of ADUs, which have become a popular alternative to allow senior residents to age in place, help homebuyers finance the purchase of homes, and provide affordable housing within single family neighborhoods, creating mixed income communities. ADUs are considered a moderately affordable housing type and with streamlined processes and preapproved building plans in place, it is estimated that staff review time for ADU applications can be reduced by up to 75%. It is also expected that the number of ADU applications received will at least double in the first year, thereby increasing the amount of moderately affordable units available to Pittsburgh residents.	Consultant currently preparing draft ADU prototype plans.	Preparation of draft plan and review of ADU plans by the Land Use Subcommittee and Planning Commission.	Fall/Winter 2022
16 Implementation Strategy: Facilitate change from Level of Service to Vehicle Miles Traveled standard for project specific CEQA review. By doing such, the City will ensure consistency with State of California statutory requirements (SB 743) and help to streamline the environmental review for new projects proposed in areas that are more transit accessible. This will also provide prospective developers with more certainty when assessing the costs and challenges associated with large project development and could reduce review time by 50%.	Change to VMT analysis for CEQA review is Complete, and is now being implemented for new projects, with official guidance provided by CCTA. Formal policy adoption will occur with adoption of General Plan Update in April 2022.	Formal Policy Adoption with new General Plan.	Winter 2022
17 Implementation Strategy: Inspect 10 percent of City's rental housing stock through Residential Rental Inspection Program to ensure continued review of enrolled properties and to ensure safe housing for tenants.	ACCELA software launched in February 2022. Residential Rental Inspection Program inspection scheduling, notifications, registrations and follow-up is now able to be completed through ACCELA. Indoor inspections delayed by COVID-19 protocols, but will be restarted Spring 2022. Procedure review and completed.	Rental Inspection Program is ongoing.	Completed.
18 <input type="checkbox"/> Community Services			
19 <input type="checkbox"/> Provide services and housing opportunities that improve the quality of life for Pittsburgh residents.			
20 Implementation Strategy: Administer the CDBG Program and oversee the subrecipients' use and effectiveness with the program. At a minimum, subrecipients receiving funding should achieve 80% of their goals and draw down 100% of its funding. Examples of the types of services and programs provided by subrecipients are focused on the homeless, youth services, healthcare for low income families, meals for low income families, job training and placement, and microenterprise assistance	The City is currently funding 11 programs through CDBG. As of 10/30/21, a total of 618 low income residents have been served. The City also received CDBG-CV funds tied to FY 19/20 to prevent, prepare for, and respond to coronavirus and are funding 3 programs with these funds: 1) Rent, mortgage and utility assistance; 2) Hot meals on weekends; and 3) Homeless encampment cleanup. As of 10/15/21 the following assistance have been provided by CDBG-CV funds: rent (65 households-\$221,472); mortgage (3 households-\$9,610); and utility (13 households-\$6,654); 1121 hot meals have been served on the weekends; and 3 large homeless encampments have been cleaned up.	4th quarter reports are due on 07/15/22. CDBG - FY 21/22 will end 06/30/22. CDBG-CV funds have a term of 6 years but 80% must be expended by the 3rd year or by FY 22/23.	Summer 2022
21 Implementation Strategy: Manage the Digital Office for New Americans website. Continue to update the website with relevant information. Seek grant funding, create partnerships, and participate in and host events to support the program and expand outreach efforts, with the goal of assisting 30 Pittsburgh residents. Assistance include but are not limited to legal help with various immigration forms and providing resources and know your rights information. Staff will conduct a community survey to assist with development of programs and services that will address immigration concerns. The long-term goal is to help 50 community members awaiting citizenship become citizens by 2025.	An immigration survey is currently underway. The purpose of this survey is to identify the community's needs. IIBA continues to meet one-on-one virtually. The City hosted its first ever Naturalization Ceremony on 10/28/21, a day recognized as National Immigrants Day. 25 Contra Costa County residents of 13 different nationalities became US citizens with 6 being from Pittsburgh.	Staff reported on the immigration survey to the Community Services Subcommittee. However, due to the poor response and the platform used, staff will re-survey in the Fall 2022 under a new platform.	Fall 2022
22 <input type="checkbox"/> Assist in the development of mixed income housing.			
23 Implementation Strategy: Provide a subsidy to enable the construction of affordable housing within a market rate development, thereby creating mixed income housing. A study will be conducted to assess the effectiveness of Accessory Dwelling Units (ADU) in providing affordable housing options.	The Housing Authority, using HSA funds, has provided \$79,306 in assistance to Yellow Roof for the construction of 6 affordable housing units.	ADU survey was conducted Spring 2022. Because of the poor response, the survey was extended to May 2022. The Bliss Avenue Development RFP will be revisited in Summer 2022.	Summer 2022
24 Implementation Strategy: Provide housing rehabilitation loans to qualified households to preserve the housing stock. At a minimum, issue 3-5 loans per year for the next five years. The loans are used for qualified improvements such as a new roof, ramps for the disabled and seniors, and ADA improvements for a bathroom. Long term, this effort will result in the reinvestment in blighted neighborhoods, protect property values, and provide safe and sufficient housing for low income individuals.	Housing Rehabilitation Loan Program has issued 1 loan in October 2021; 1 applicant is in the process of hiring a contractor; and 1 is awaiting to schedule the initial site visit to determine the scope of work.	There are 2 projects that will be funded by the end of the fiscal year. There is 1 project that will complete the property assessment and bid process in the current fiscal year but the loan will not fund until the next fiscal year.	June 2022

Goals/Implementation Strategies	Status/Current Action Underway	Next Milestone	Estimated Completion Date
25 Implementation Strategy: Provide housing to as many families as possible with the funding received from HUD through the Section 8 program, and encourage property owners to participate in the Section 8 program so that there is a sufficient inventory of housing available to meet all types of needs. A workshop will be conducted to educate Section 8 program participants on the home ownership process. The City currently provides Section 8 assistance to approximately 1,000 families. It is the City's goal to house 10 persons or families per year from the waiting list, pending HUD funding. Long term, providing stable housing will protect against increasing homelessness and reduce at-risk youth by giving them a sense of place, a community that provides resources for youth development so that they can grow to be a confident, contributing member of the community.	A Housing Assistance Program Contract (HAP Contract) executed February 2022 for Veterans Square which will provide 29 residential units to homeless and extremely low income persons. The Housing Authority Staff plan to conduct a virtual landlord workshop May 2022. The Housing Authority will begin transitioning to a more paperless work environment as well as convert to a new customer software in 2022. 6 affordable units (Gonzales Village-Yellow Roof project) occupied in Spring 2022.	The Housing Authority may start inviting applicants from the waiting list late Summer 2022 if funding is available.	Summer 2022
26 <input type="checkbox"/> Economic Development			
27 <input type="checkbox"/> Develop an Economic Development Plan to guide the City for the next 5-10 years.			
28 <input type="checkbox"/> Implementation Strategy: The development of the Plan will be a collaborative effort with staff, City Council, community leaders, educators, and businesses providing feedback.			
29 Hold workshops with the City Council and Economic Development Subcommittee on the draft Economic Development plan. These meetings may include one or more workshops with the entire City Council, as well as monthly meetings with the Economic Development Subcommittee with a standing agenda item to discuss plan development during the drafting period.	The Economic Development Subcommittee has been holding meetings every 4-6 weeks. Staff has met with Subcommittee members to review strategic plan and refine. The Economic Development Strategic Plan was adopted in January 2022.		Completed.
30 Hold a series of roundtable discussions with the leaders within various industries and business support organizations. To support business retention, identify the five most pressing issues impacting the viability of existing businesses in Pittsburg. To expand the City's employment and tax base, identify the five most impactful actions to attract new small- and medium-sized employers. These discussions will help mold the policies of the Economic Development Plan to ensure they support existing and future businesses. Each roundtable will include at least one representative from either a specific industry or business size (small, medium, or large), or an industry expert. Participants will be invited to present information on their industry or field of expertise, including future challenges, industry evolution, and workforce and infrastructure needs. Participants will answer questions and provide feedback. These discussions will be used to develop targets and/or strategies within the Economic Development Plan.	The Economic Development Subcommittee has held three roundtable discussions thus far. Roundtable topics have included: outreach strategies, role of education in economic development, and state and future of real estate market. In June 2021, the Economic Subcommittee met to discuss the 2021-2022 Work Plan. The Economic Development Strategic Plan was adopted in January 2022.		Completed.
31 <input type="checkbox"/> Implementation Strategy: The City is uniquely positioned to house industrial users and startup businesses; its proximity to Silicon Valley, relative affordability, and location of underutilized industrial areas near State Route 4, public transit, and a variety of housing options will allow the City to attract users looking to expand operations or own their sites, which may in turn induce further investment in infrastructure and personnel. As part of the Economic Development Plan, staff will identify strategies for promoting these amenities and attracting new businesses.			
32 Continue to support existing business clusters, including but not limited to food manufacturing/processing.	Staff is worked to identify areas of need and long-range activities to bring users to vacant spaces. Staff enhanced code enforcement activities to proactively address issues within existing commercial and industrial areas. In late 2021, staff received an initial report on development of innovation district throughout Garcia corridor. Staff worked with local developers and potential users to occupy new industrial buildings within the Los Medanos Industrial Park.		Completed.
33 Identify, analyze, and target business sectors that will continue to grow and be sustainable in the 21st Century. Target sectors would include those that support or could be supported by existing clusters and that provide skilled jobs, opportunities to scale-up the workforce, and a living-wage. These types of users may include research and development of different kinds, autonomous infrastructure innovation, and advanced or value-added manufacturing, as well as small-scale shared, "maker spaces." Support development of vertically integrated businesses to increase operational efficiency.	Through the Economic Development Subcommittee, staff has identified target industries. It should be noted that this list will remain fluid and is subject to change and grow upon identification of new or emerging sectors. The Economic Development Strategic Plan was adopted in January 2022.		Completed.
34 Implementation Strategy: Research potential development of a program to complement Future Build that would focus on tech-centered skills, such as coding.	Staff has completed a review of similar programs.	Report to be presented to ED Subcommittee.	Summer 2022
35 Implementation Strategy: As a result of the COVID-19 pandemic, many existing businesses will be reevaluating their operations and planning for future force majeure events that may have similar impacts. The Economic Development Plan should include strategies to help businesses plan for unforeseen events and include actions that may be undertaken to help businesses affected by COVID-19 retool and rebuild.	During the Pandemic, the City Manager has authorized businesses to expand outdoor dining. As part of the Economic Development Strategic Plan, "toolkits" were created for businesses impacted by COVID.		Completed.
36 <input type="checkbox"/> Foster a business climate that is competitive with other cities in the region while supporting existing businesses and attracting new businesses.			
37 Implementation Strategy: Support and retain existing businesses by identifying and addressing issues affecting business operations, such as employee recruitment, training, and small business financing. As part of this effort, the City will hold 1-on-1 meetings with businesses to solicit feedback, and identify assistance programs and resources, particularly financial or those related to workforce development, that allow for existing small businesses and startups to grow. As part of this objective, the City will meet with 20 small businesses each year for onsite visits and provide virtual check-ins to another 20.	Staff met with over 20 businesses since hiring Economic Development Manager. In Fall 2021, staff completed an outreach survey to gather business feedback on preferred outreach methodology. Staff will continue to meet with local businesses throughout the upcoming year with the Goal of a 10% increase year to year.		Completed.
38 Implementation Strategy: Enhance the vitality and aesthetic value of existing shopping centers. To achieve this goal, staff will form a multi-departmental team to review the state of existing shopping centers and identify signage and property maintenance issues and work with property owners and managers of commercial and industrial areas to process and expedite entitlement facade and landscaping improvements for multi-tenant shopping centers. For smaller centers, the City can help owners identify funding mechanisms to undertake facade and/or landscaping improvements. By completing this effort, the City will review a minimum of three shopping centers annually. The City will also conduct pre-renovation surveys with customers and seek a 50% increase in shopper satisfaction post-improvements. The City will deliver to the Economic Development Subcommittee a report on vacant tenant fees.	Economic Development has worked with Code Enforcement to address code compliance issues at three shopping centers within the City. Staff has worked with owners of Railroad Plaza shopping center to improve maintenance in this area. Staff is seeking proposals for on-call Code Enforcement services to supplement staff work and proactively address code violations in commercial areas. Request for funding in 22/23 budget.		Completed.
39 <input type="checkbox"/> Implementation Strategy: Utilize Bludot or similar service to allow businesses to better communicate with staff within multiple departments and provide ongoing updates from the City's Economic Development team. Through a variety of mechanisms, provide Economic Development Subcommittee agendas to business contacts, and encourage their participation.	Staff has increased outreach and is looking at ways to provide information to businesses through existing communications, such as business license renewals. Developed Business Welcome Pocket Winter 2022.		Completed.
40 Include a standing agenda item for business owners to provide the Subcommittee with feedback, including through prerecorded video messages or remotely.	Agendas have included a standing item for the Pittsburg Chamber, along with a public comment period.		Completed.
41 Explore holding meetings earlier in the day when many business owners are working, but customers are minimal and standardize the meeting time(s) to allow business owners to schedule their attendance.	While staff has identified a standing meeting time, ED subcommittee meetings have been held at or after 5:00pm.		Completed.
42 <input type="checkbox"/> Identify trends in employment needs and skill development in order to scale up workforce and prepare residents for job opportunities.			
43 <input type="checkbox"/> Implementation Strategy: Partner with educational institutions, local and regional business advocacy groups, and local businesses to identify target skill and education needs. The City will convene a working group with LMC to identify and address workforce development needs and required skills, as well as programs for teens and young adults, and explore potential links between businesses, LMC, and other educational institutions for curriculum and internships that support the needs of local industries. Long term, this objective will result in a 100% increase in the number of local youth and young adults hired by Pittsburg businesses after completion of respective programs.	City has launched the Skill Up program with LMC to encourage local employees to obtain new skills. Track enrollment and job placement. Work with businesses to bring employees to program.	Program Assessment Spring 2022.	Completed.
44 To increase participation and effectiveness, assess possibility of utilizing online learning.	The Skill Up Program is currently developing online classes for the 2022 school year. Track enrollment and job placement. Work with businesses to bring employees to program.	Program Assessment Spring 2022.	Completed.
45 In collaboration with PUSD, programs should provide avenues for workers without high school diplomas or GEDs to obtain necessary educational requirements prior to enrollment to ensure they are not preempted from participating.	Working with LMC and PUSD to identify classes residents without diplomas or GEDs can access to qualify for Skill Up Program.	Program Assessment Spring 2022	Completed.
46 Implementation Strategy: Invest in programs that train youth, young adults, seniors, English language learners, reentry, and other populations in local industries, strengthening both the community and the local economy, and continue to partner with Future Build to provide target populations with skills necessary for modern construction jobs. Long term, these programs will help to create opportunities through programming for young people to enhance self-esteem, self-confidence, lifetime leisure skills, and connectedness to the community. By completing this objective, the City will invest in programs that train and employ 25 persons within the target populations annually.	Staff and LMC have outlined "Bridge Program" to help non English speakers access City and LMC programs. Program launch pending availability of LMC staff.		Completed.
47 <input type="checkbox"/> Identify strategies for bringing additional commercial and job opportunities to underutilized areas of the City.			

Goals/Implementation Strategies	Status/Current Action Underway	Next Milestone	Estimated Completion Date
48 Implementation Strategy: Identify areas of the City that are equipped to serve businesses in their current state and establish programs, policies, and strategies that will support and/or streamline privately funded redevelopment and allow for flexibility in uses. As part of this objective, the City will identify opportunities to attract desirable industries, and determine if these elements are present in Pittsburg and how they can be added or strengthened. Achieving this objective will result in a reduction in staff review time from potentially 8 months to 30 days.	Staff has identified areas of the City to establish an Innovation Zone. Staff has hired A2B consulting to prepare preliminary report and has been interviewing stakeholders as part of Phase I. Staff has solicited a proposal from general plan consultant to Phase II planning work.	Initial research complete. Staff is reviewing information provided by A2B to assess next steps and has requested proposals for planning work.	Summer 2022
49 Implementation Strategy: Promote availability of existing vacant/underutilized land and building spaces for targeted uses, and establish a list with size, zoning, ownership, broker representation, and contact information. Create a promotional document that includes demographic and employee characteristics, location of available land area, and site-specific maps and building locations, and opportunities for adaptive reuse of existing buildings. Long term, the City will target occupancy of 10 currently underutilized sites.	Staff prepares responses to RFIs on a case-by-case basis. The response template has been updated based on research by staff to increase response. The City's OZ page has been updated. Think Pittsburg remains operational as well. We have also launched OpenCounter.	Program evaluation Spring 2022.	Completed.
50 Implementation Strategy: In order to better assess size and needs of business, continue to gather additional information on businesses within the City. Utilize surveys of local businesses to gather data on employment statistics, ownership information, practices, and future plans. Long term, the City will obtain ownership, employment, and operations data on the 100 largest businesses in the City.	This implementation strategy has not commenced. We are looking to hire additional employees (likely interns) to assist in data collection.	Recruitment and assign staff to begin collecting data.	Spring 2022
51 <input type="checkbox"/> Engineering			
52 <input type="checkbox"/> Ensure the provision of safe and reliable public facilities and infrastructure through the long-range planning and completion of Capital Improvement Program (CIP) projects.			
53 Implementation Strategy: Compete for federal, state, county, and private foundation grants to support capital projects, facility enhancements, and long-range planning, and minimize general fund spending, by leveraging local funds and existing efforts such as the Capital Improvement Program and General Plan update. Grants and other outside funding will total \$800,000 per year.	PASS grant \$17,000 for traffic signal synchronization on East Leland Road; PTAP grant \$40,000 for pavement management study, Local Road Safety Plan grant \$72,000, Safe Routes to BART grant for Pittsburg Center BART Connectivity Project \$700,000.		Completed.
54 Implementation Strategy: Seek out innovative techniques to reduce costs and extend the reach of scheduled capital projects for Pavement Management, Street Maintenance, Street Lighting and Traffic Signal Modifications where possible, to extend the useful life and improve safety and efficiency of City roadways. Currently, 17.3 miles of roadway along designated truck routes are in need of pavement maintenance or repair that can extend its useful life by 7 to 15 years.	City worked with Contra Costa County on joint maintenance project on Bailey Road to reduce costs and traffic impacts.		Completed.
55 Implementation Strategy: Identify solutions to help reduce traffic delays along State Route 4 and major arterials during commute hours, such as the effectiveness and feasibility of adaptive traffic signals for the City's major corridors.	COVID-19 has reduced the traffic on SR 4. Adaptive signals effectiveness to be re-evaluated post-COVID-19.	Strategy re-evaluation in Summer 2022 due to Covid impacts.	Summer 2022
56 Implementation Strategy: Identify and carry-out projects for traffic calming and improved safety for pedestrians and cyclists and develop a strategy to educate parents, students, and other residents on street safety to reduce total bicycle and pedestrian accidents and injuries. Seek to reduce total bicycle and pedestrian accidents by 50 percent.	"Pittsburg Moves" Active Transportation Plan adopted by City Council on February 16, 2021. Traffic calming measures installed on Crestview Drive: Traffic calming pilot project Crestview @ Sunnyhill Way, Crestview @ Kingsberry complete, Crestview @ Atherton complete, North Parkside Drive complete. Speed humps installed on Hanlon Way, Heatherwood Drive and in progress on Bay Side Drive.	Starting design on HSIP 10, Crestview Drive Traffic Safety Project. Additional speed humps on Bay Side Drive complete by Spring 2022.	Spring 2022
57 <input type="checkbox"/> Environmental Services			
58 <input type="checkbox"/> Develop municipal and community programs that emphasize sustainable and environmentally positive operations.			
59 Implementation Strategy: Develop an action plan to coincide with the General Plan Update (GPU) that identifies sustainable programs and opportunities for City and community to reduce greenhouse gas (GHG) emissions. Municipal operations currently produce an estimated 3,520 metric tons of carbon dioxide equivalent (CO2E) emissions, while the community produces 428,563 metric tons CO2E emissions, annually. Reduction in CO2E emissions provides a clean, safe and healthy Pittsburg by having homes and businesses comfortable and less expensive to operate, less reliance on cars as the only form of transportation, a safe network of walking and biking to promote healthy lifestyles, and cleaner air to reduce asthma and other respiratory illnesses. Long term, the City will seek to reduce its municipal emissions by 18% compared to existing conditions, and develop strategies and policies that will help reduce community emissions by 44% compared to existing conditions consistent with the State of California's SB32 targets for the year 2030. If any new State legislation is passed for reduction targets beyond the year 2030 (for example, through the year 2045), the City will update its reduction goals accordingly.	An Agreement was approved with Rincon Consultants to begin the Sustainability Plan for coincides with General Plan. Need Land Use Alternatives Map to be finalized to take next steps. Draft Plan underway.	Fall 2022	Fall/Winter 2022
60 Implementation Strategy: Establish strategies within the action plan that will help to streamline the CEQA review process. The revised CEQA guidelines require GHG emissions be analyzed for each project and recognizes the important role an action plan is in the CEQA process. The action plan will be a qualified GHG reduction plan in accordance with CEQA Guidelines Section 15183.5 and as such will incorporate growth projections associated with future development consistent with the GPU and GHG reduction measures that will help to mitigate City-wide emissions while potentially streamlining CEQA review for compliant projects. By achieving this objective, the City will ensure consistency with State of California statutory requirements and improve the likelihood projects subject to higher levels of CEQA review properly assess and mitigate GHG impacts, protecting community health and providing developers with more certainty when assessing the costs and challenges associated with large project development.	Land Use Alternative Maps were provided to Rincon so growth projections based on future development can commence. Draft Plan underway.	Fall 2022	Fall/Winter 2022
61 <input type="checkbox"/> Create and execute a Revitalization Plan for properties in Pittsburg with US EPA Grant funding to enhance public enjoyment and reduce existing environmental contamination of the waterfront and opportunities for economic development in alignment with the General and Trust Lands Use Plans.			
62 Implementation Strategy: Conduct thorough market and environmental assessments on waterfront and Opportunity Zone brownfields, as well as extensive stakeholder outreach, to determine greatest and practically attainable uses of these sites and regions and build in flexible land use regulations that allow for innovative and streamlined economic development. The City currently estimates there are approximately 1,400 acres of brownfield sites that are not remediated, and thus underutilized. By accomplishing this objective promoting brownfield redevelopment, the City can plan revitalization for approximately 550 acres and result in approximately one million square feet of commercial or industrial development and up to 1,000 housing units.	Environmental assessments continue on sites citywide under the US EPA Brownfields Assessment Grant. The City continues to engage and inform waterfront property owners of the funding opportunity and potential partnership through the grant. Additional grant funding allocated to assessment efforts and a new consultant agreement for remediation design was approved by Council in 2021. Quarterly community engagement continues and Revitalization Plan efforts continue to be aligned with the General Plan Update process.		Completed.
63 Implementation Strategy: Provide new and enhanced existing public recreational opportunities on underutilized brownfield sites. Several sites, totaling approximately 500 acres, of brownfield areas have been identified as open space or potential public recreation opportunity, including connection to regional trail systems, regional nature preserves like the Corteva Wetlands, a community visitor's center, neighborhood or community parks, a community center, and more. By accomplishing this objective, the City can see a 10% increase in open space acreage and up to 50 acres that can be used for the recreation amenities listed above.	Delta Conservancy Proposition 68 Planning Grant for updates to boat launch ramp facilities and Central Harbor Park approved (\$172,000) and planning portion underway. Site Reuse Assessment and Revitalization Plan underway for former NRG properties. October 2021: Planning consultant began Proposition 68 grant-funded planning work.	April/May 2022: Proposition 68 grant planning complete. May/June 2022: City applies for Delta Conservancy Prop 68 Implementation Grant for project at Central Harbor Park and boat launch ramp facilities.	Summer 2022
64 <input type="checkbox"/> Modernize Marina operations for staff and customer use to increase efficiencies, increase moorage occupancy rate, and improve safety and security.			
65 Implementation Strategy: Contract with new operating software system to manage moorage customers more efficiently and provide better customer service with on-line services platform. Currently, 370 Marina tenants are served monthly in person by a representative from the City, with an approximately 2-3 days long wait time. Long-term, enhanced customer service will allow the Marina to serve an additional 50 customers monthly, reduce wait times by 1 day, and potentially decrease vacancy rates from 34% to 15%.	New Marina operating system, MOLO, is in place. Conversion complete and working out minor efficiencies to be programmed. Using old software program side by side until items resolved.		Completed
66 Implementation Strategy: Contract to install new gate system software and infrastructure to manage access efficiently and securely, establish new camera system and update cameras, and install new LED lighting on promenade and on all docks to improve visibility, monitoring, tracking, safety, and security throughout the Marina as well as add additional cameras. Completion of this objective will help security with the enforcement of the Marina rules and regulations and monitoring of liveaboard activity, overnight guest activity, parking lot vehicle activity, guest and vendor activity as well as provide better video footage. Long term, increasing safety and security in and around the Marina will reduce calls for service by at least one call to Police dispatch per month, increase Marina occupancy by 5%, and increase visitors within the Marina area by 50 - 100 visitors per month.	Gate infrastructure complete. New LED lighting added on the docks complete. Marina staff installed wiring for new cameras in all sheds. Cameras will be placed upon Wi-Fi completion. Wi-Fi consultant providing quotes for Basins 2 (75% complete) and 3 (0% complete); New fiber optic line being installed concurrent with rewiring projects that will allow for next phase for security cameras and better Wi-Fi for customer security access. LED lighting on promenade work to commence 2022	Wi-Fi - Spring 2022; Camera system overlay, server system, restructure plan - Summer/Fall 2022; LED promenade lights installed - Spring 2022	Fall 2022
67 <input type="checkbox"/> Advocate on behalf of residents legal and public health issues concerning Keller Canyon Landfill.			
68 Implementation Strategy: Review potential pilot program for adding air monitoring stations for the community surrounding Keller Canyon Landfill with Bay Area Air Quality Management District (BAAQMD) to ensure compliance with air permit conditions and health protection of community. Monitor Land Use Permit and other legal requirements to ensure the safety of the community is prioritized such as closing front cell, visibility issues conditions, and disposal of materials from military facilities. Review guidelines for reestablishing the Local Advisory Committee for overseeing and advising on community issues related to impacts from Keller Canyon Landfill.	Received quote to install 5 temporary air monitoring stations extracting 4 air samples to study efficacy before proposing permanent sight location and equipment to monitor air around Keller Canyon Landfill. Monitoring new County consultant to prepare update EIR for Keller Canyon to increase daily tonnage accepted and truck trips which will also require new Land Use Permit.	Temporary air monitors - Summer 2022	Summer 2022
69 <input type="checkbox"/> Finance			

Goals/Implementation Strategies	Status/Current Action Underway	Next Milestone	Estimated Completion Date
70 <input type="checkbox"/> Establish financial planning models, reporting and controls to help manage short- and long-term business strategies of the City, including but not limited to investments, cash management, internal risk management, municipal finance, auditing and accounting for the City's financial affairs and the Fiscal Sustainability Ordinance.			
71 Implementation Strategy: Produce and present to the City Council the projected fund balance spreadsheet to be presented to the Finance Subcommittee for each budget and mid-year budget review or as requested based upon changing conditions in the economy. Long term, the projected fund balance spreadsheet will help the City reduce its use of fund balances to 0%, leaving the minimum of 30% for the funds subject to the City's Fiscal Sustainability Ordinance, without the use of property to achieve the 30%.	Fund balance information was presented in the Annual Comprehensive Financial Report in January 2022. The mid-year budget is underway and will be presented Spring 2022. NHA Financial Advisors was retained to assist with this effort.	Incorporation of ARPA Funds in budget starting with FY 2022-23.	June 2022
72 Implementation Strategy: Produce and present to the City Council the quarterly investment report to the City Council showing the City is following the cash flow requirements of State law. Long term, a more proactive strategy to guide investments will lead to a .10 basis return higher than benchmark.	Quarterly investment reports are presented to the City Council.	Next presentation will be Spring 2022.	Completed.
73 Implementation Strategy: Produce and present to the City Council the Risk Management Log by fiscal year, showing active litigation for both Liability and Workers Compensation Claims. The litigated cases will be updated quarterly for the City Attorney to review and report to the City Council. Long term, the use of the Risk Management Log will reduce the number and duration of active litigation cases by 2%.	City Attorney is helping Finance Director with data.	Present first Risk Management Log by May 2022	May 2022
74 <input type="checkbox"/> Human Resources			
75 <input type="checkbox"/> Ensure that employees are provided with a work environment that encourages growth, development, and engagement and fosters retention through quality organizational training programs.			
76 Implementation Strategy: To accomplish this objective, the City will facilitate an internal learning program to provide relevant training and development opportunities for City staff that will provide a 90% overall satisfaction rate from both participants and their supervisors/managers for the attainment and application of enhanced skills in the workplace. Long term, this will help strengthen and maintain leadership competencies and build skills for successful job performance and promotability and lead to a 100% pass probation rate of promoted employees.	The City partnered with Patrick Ibarra from the Meorando Group to provide a professional development program to prepare employees for lead/supervisory roles with a total of eight workshops for over 20 participants. Three of the workshops were held in person and the remaining sessions were completed virtually due to COVID-19. HR will have more data in the future regarding the effects of the program on its participants and their respective departments. HR secured and provided low cost webinars or online courses such as Unconscious Bias that will positively enhance the relations between employees and their interactions with members of the public. HR also continues to facilitate mandated trainings such as Preventing Workplace Harassment and Discrimination and Ethics training to staff.	FY 22/23 (mid-year): If funding is made available, HR intends to host another Professional Development Program; there is a waiting list of several employees who were not able to participate in 2020. FY 22/23 (mid-year): If funding is made available, HR intends to resume facilitation of additional professional development courses provided by CPS HR Consulting and other vendors/consultants.	Completed.
77 Implementation Strategy: Work with the Finance Subcommittee to develop and identify possible funding sources for a program that would encourage front line staff to produce and implement innovative ideas and solutions to increase productivity, efficiency, quality of life, or economic development within the City. This innovation fund will incentivize employees to further their skill development, think "outside the box," and take increase a sense of ownership within departments by earmarking funding for smaller-scale pilot projects. By implementing this objective, the City will see an increase in employee retention and job satisfaction, reducing the number of vacancies, increasing the average employee tenure, and helping the City to promote from within. Depending on the projects selected for funding, the City may also see increases in productivity, efficiency, quality of life, or economic development.	Staff is researching, planning, and drafting enhancements to the City's current employee recognition program to include this innovation incentive.		Spring 2022
78 <input type="checkbox"/> Promote the City as an attractive employer to secure highly qualified applicants for vacancies and retain those employees.			
79 Implementation Strategy: The City will conduct biannual market analysis of salaries and benefits with comparable public agencies to proactively address issues of inequity for internal alignments of compensation. Long term, this will increase employee retention and enhance recruitment abilities, leading to positions being filled more quickly, reducing downtime or strain on other employees.	HR expanded two single classifications into class series to increase retention and provide advancement opportunities in May 2021. HR complete employee retention analysis and total compensation surveys of benchmark classifications for each bargaining unit, as requested by the City Council in March 2021. HR conducted a salary survey of comparable public agencies for the seasonal classifications in 2021 and City Council approved in February 2021. HR addressed a salary compaction issue with the Water Plant Superintendent and Water Plant Supervisor. With Council approval in December 2020, the Water Plant Superintendent's salary was adjusted by 5%. To help with retention and recruitment efforts at Island Energy, HR and IBEW conducted a salary survey of comparable publicly-owned utilities and salaries were increased by 20% in August 2020.	Compensation Study Finalized	Spring 2022
80 Implementation Strategy: Approach each recruitment with a custom plan of outreach and advertisement designed to target skilled candidates that reflect the diversity of our community, and increase visibility on social media platforms to include a job focus for positions that are more difficult to recruit with spotlights of individual employees and their contributions to this community and insight into various City departments to increase the awareness of the services that our employees provide to Pittsburgh. Current recruitments take an average of 45 days from start to eligibility list; the City will strive to fill vacant positions within 40 days to maintain service levels.	This goal is ongoing. HR continues to utilize social media platforms such as Facebook and LinkedIn to notify users of recruitments and share stories. Each open recruitment announcement is tailored to the position. Majority of the recruitments have been completed within 40 days but some recruitment were delayed due to COVID-19.		Completed.
81 Implementation Strategy: Facilitate an employee benefits outreach program designed to ensure that employees are aware of the City's comprehensive benefits with open enrollment fairs, health & safety events, on-site meetings with benefit providers, and wellness activities with an employee participation increase of 10%. Long term, these strategies will increase employee retention and reduce employee turnover rate by 50%.	HR hosted multiple employee events with internal and external vendors.		Completed.
82 <input type="checkbox"/> Pittsburgh Power Company/Island Energy			
83 <input type="checkbox"/> Seek and develop energy opportunities and provide reliable service at competitive prices.			
84 Implementation Strategy: Develop a preliminary plan to assess the regulatory ability and feasibility of PPC to serve new industrial, commercial and residential load both within the City of Pittsburgh and potentially in surrounding communities. PPC, via Island Energy, currently serves 21 GWH of annual electric load on Mare Island. By acquiring new load, PPC could potentially serve an additional 40 GWH/year (or more) of electric load at rates 2-3% below that of PG&E. Long term, this could increase PPC gross revenues by up to \$10 million annually, with up to 10% of which could be used to fund additional community activities and programs.	Staff prepared a road map on the interconnection process and is explored which project to pursue first. Assessed CAISO electrical interconnections and energy delivery options.		Completed.
85 Implementation Strategy: Invest in strategic capital projects that seek to upgrade electrical facilities to ensure reliable service, while continuing to provide electric and gas service at competitive rates to Island Energy customers. By achieving this objective, current industrial customers will expand operations, and additional large-scale industrial users will be attracted to Mare Island, further increasing the service load. IE currently serves an annual load of approximately 2.5MW on average (commercial / industrial), and has the infrastructure capacity to serve up to four (4) times that load. By serving an additional 50% load, PPC would expect to see an additional \$2.9 million in annual gross revenues.	One (1) regulatory capital projects completed in 2020 supporting this strategy: Causeway Bridge Coupling Replacement Project completed Fall 2021, meeting DOT Federal Regulatory requirements and greatly improving gas system reliability. Continue to make improvements to existing facilities, including substations and cable replacements, to improve and maintain reliability.		Completed.
86 Implementation Strategy: Explore the feasibility of a City-operated Internet Service Provider (ISP).	City is currently discussing a partnership to establish a municipal ISP. Feasibility under review by NHA.	Finalize Study	Spring 2022
87 <input type="checkbox"/> Police Department			
88 <input type="checkbox"/> Establish proactive crime reduction strategies and utilize available data to identify priority enforcement areas.			
89 Implementation Strategy: Evaluate the deployment of officers in the community on a monthly basis to optimize police presence in areas identified as higher-crime areas through available data, including theft, burglary, robbery and all violent crime. Crime data provides real-time information on crime trends which allows for the strategic application of targeted enforcement, such as having a greater visual presence or saturation in a specific area. By accomplishing this objective, the City expects a reduction in these types of crimes.	Department evaluation completed. Results shared with Subcommittee.		Completed.
90 Implementation Strategy: Identify and combat violent crime involving gang activity through specialized enforcement. Utilizing officers with specific expertise in gang culture and behavior will allow for a greater impact. The Police Department anticipates these efforts to curb gang activity will result in a reduction in gang related violent crime, such as robberies and shootings. Long term, the Police Department also believes these efforts will reduce the overall gang initiation among youth in the community.	Data evaluation is under way. Results will be shared with Subcommittee.		Completed.

Goals/Implementation Strategies	Status/Current Action Underway	Next Milestone	Estimated Completion Date
91 Implementation Strategy: Provide internal and external education of human trafficking and related crimes. This would include providing officers with advanced training on identifying victims of human trafficking. It would also include training from the School Resource Officers within the schools to educate student on indicators and methods criminals use to lure young people. The Police Department anticipates these efforts will result in a reduction in victimization of human trafficking and related crimes.	Human trafficking education and presentation to the public complete.		Completed.
92 Implementation Strategy: Continue to develop a pilot program to reduce big box commercial shrinkage. This will help protect the viability of multiple large businesses in the City and help create a more enjoyable and safe shopping experience. Overall, the Police Department will work to implement the program at three retailers.	Focused efforts at Walmart underway. Have officers working at all major shopping centers. Program is funded through FY 2022.		Completed.
93 [-] Develop a strategic plan to evaluate Police Department operations, guide department activities, and utilize technology to improve overall efficiency.	Hired Matrix Group to develop strategic plan. Currently underway. Expected to be completed Spring 2022.		
94 Implementation Strategy: As part of Strategic Plan Development, the Police Department will identify youth-oriented programs that seek to address at risk youth and provide intervention as necessary. By implementing this objective, the Department will expect to see a long-term reduction in violent and non-violent crimes committed by minors.	Police department and PAL are reviewing My Brothers/Sisters Keeper Programs for the community. Proposals from consultants received for Strategic Plan.	Strategic Plan Draft	Spring 2022.
95 Implementation Strategy: As part of Strategic Plan development, the Police Department will prepare an overall organizational Succession Plan. The Succession Plan will provide direction on ensuring personnel are ready to lead the Department in the future. Long term, this will improve officer retention and allow the City to maintain experienced personnel.	Staff working on succession plan with a focus to provide more diversity opportunities.		Completed.
96 Implementation Strategy: Utilize an independent auditor to provide an unbiased review of Department programs, such as a new officer Field Training Program and make recommendations on program modifications that will enhance success. Long term, program enhancements will be gauged on crime reduction success, community engagement, or voluntary compliance, as applicable.	Staff is developing RFP for independent auditor selection.	RFP Completion Winter 2021/22.	Winter 2022.
97 Implementation Strategy: Implement employee wellness mobile application to allow for resources related to the overall health and welfare of staff. The application provides detailed information on resources available for employees. Long term, this will improve officer retention and availability by reducing paid leave.	Wellness application completed.		Completed.
98 Implementation Strategy: Explore technology for officers that would reduce the time required for report writing. Officers currently spend approximately 4 hours per 10-hour shift drafting reports. Achieving this objective will allow the officers to remain focused on crime prevention.	Report writing analysis completed.		Completed.
99 [-] Develop a strategic plan to evaluate Police Department operations, guide department activities, and utilize technology to improve overall efficiency.	Duplicate of goal 101.		
100 Implementation Strategy: Develop additional venues for forums to promote communication with groups in the community. Providing the opportunity to interact with Department members in these forums allows for direct feedback, while frequent check-ins with the various groups in the community will keep communication consistent. These groups include the school districts, faith-based groups, and non-governmental organizations that provide services in the community.	Staff will evaluate milestones after Covid-19.	Strategy Re-evaluation	Summer 2022.
101 Implementation Strategy: The Department will continue to provide information and allow for feedback on all social media platforms and will place enhanced emphasis on utilizing social media for educational programs and community interaction. As part of this effort, develop partnerships for community-led messaging that seeks to reduce crime and violence throughout the City. Using these platforms to share information as well as accept feedback provides the opportunity for additional, wide-ranging engagement. The Department will also explore all technology that allows for community interaction and evaluating the services provided by the department.	Department social media efforts are continuing. Citywide survey completed.		Completed.
102 [-] Public Works			
103 [-] Improve maintenance and operational efficiency throughout the park system by implementing a Citywide Landscape Plan.			
104 Implementation Strategy: Create and present to City Council a Citywide Landscape Plan that will detail park facilities, landscape, cameras, signage and maintenance. As part of this effort, evaluate existing lighting conditions in the parks and adjust to appropriate levels for the safety of patrons and earmark locations for additional lighting for future projects. Cameras shall be installed in all parks to ensure a safe environment for all community members utilizing the parks. Long term, the Landscape Plan will be utilized to help increase efficiency of staff and resources within the Citywide Park System.	Citywide Landscape Maintenance Plan adopted by City Council.		Completed.
105 [-] Complete Annual Water Loss Audit of the water treatment and distribution system as well as customer meters to identify areas of loss or inaccuracies.			
106 Implementation Strategy: Initiate and implement a customer meter accuracy testing program of 1%-2% of the small and large water meters in the water distribution system to improve meter inventory accuracy. Staff will have the ability to pinpoint water leaks in the system and reduce water loss of the system by 3% annually.	Department evaluation completed.		Completed.
107 Implementation Strategy: Conduct meter accuracy tests annually on the two master production meters at the Water Treatment Plant and 8 of the large water meters in the water distribution system. Utilize data to identify areas of higher loss and provide for long term planning of strategic water system repairs and maintenance and reduce water loss by 3% annually.	Department evaluation completed.		Completed.
108 [-] Recreation			
109 [-] Provide high quality recreational programs and services throughout the community that provide fun, educational, accessible and safe environments for people of all ages and abilities. The programs will encourage healthy bodies, cooperation with others, and understanding the strength in diversity. Long term, more residents will participate in programs and attend events by 10-15% and volunteer with local non-profits or other community organizations.			
110 [-] Implementation Strategy: Recreation activities should be available and responsive to the needs of different age groups, cultural backgrounds, and social economic status. By accomplishing this objective, staff will provide a broad range of recreational activities from pre-kindergarten to seniors.			
111 Provide new recreational sports programs for all ages including Junior High Powder Puff league, youth and adult flag football, tiny-tots "Fun Fitness," Yoga for All, and more.	Rec programs began in July; Due to COVID-19, some programs not feasible in Summer or Fall. However, staff is making preparations for the Spring/Summer of 2022. Staff was able to provide a small youth sports camp servicing 36 kids. Aquatics provided 3 weeks of summer swim camp servicing 150 kids. Worked with youth sports orgs to provide camps/programs, All parks opened 3/23/21, picnic rentals began 5/1/21, Youth Flag Football League took place in the Fall servicing 100 kids; hosted 2 youth basketball camps between November-December servicing a total of 100 kids	Work with consultants to provide programming for Spring and Summer	June 2022
112 Continued active, healthy and engaging programs at the Pittsburg Senior Center to include meals, dances, health and fitness, knitting, computer classes, and self-help.	Senior Center has been able to provide 2 meal programs for the senior community (CC Café- 17,160 meals and City Supplemental Program- 2,440 meals between July 1-Dec 11, 2020); provided information to virtual classes; perform weekly wellness calls/social distanced visits, and a virtual Winter Ball, Outdoor Senior Center at SWP (April 2021); Drive-up/Walk-up Health Fair (April 2021); Supplemental Food Program continues; Senior Center opened on modified schedule with classes and meals on 7/12/21; Senior Center remains open with programming for seniors, CC Cafe meal program continues, In-Person Winter Ball held in December (80 attendees)	Senior Center is currently operating on a modified schedule due to current CC Health guidelines, but next milestone is when it is back to full operation	June 2022
113 Define purpose and goals for a potential youth leadership program and encourage youth to take an active leadership role by participating in visioning workshops and working with existing Commissions and Subcommittees on any youth-oriented projects.	Development of Youth Advisory Commission (YAC); YAC applications received in early 2021; City Clerk is handling the process of recruitment; 7 student seats, all college and adult seats have been filled;		Completed.
114 Provide a variety of community events throughout the City including Car Shows, Cultural Festivals, First Fridays, and other family friendly events	Halloween Bash Costume and Car Cruise (10/31/20) over 1000 participants and 10 community organizations/businesses; Virtual Tree Lighting (12/10/20) broadcast on Zoom & FB Live over 1.5K views to date and 7 community performers; staff currently planning for Spring/Summer 2021; Drive-in Movie at City Hall (2/19/21); staff working on future events/activities that align with SIP guidance, conducted Car Show (7/15/21; 8/26/21), partnered with Darrell Daniels to host Community Day (7/17/21); Music at the Marina (7/20/21); supported the Day on the Green Car Show (8/28/21); End f Summer Bash (9/23/21); Halloween Bash Drive- Thru (10/30/21); Virtual Tree Lighting (12/9/21); In-Person Holiday Parade (12/11/21)	Spring/Summer Events to start in May	June 2022

	Goals/Implementation Strategies	Status/Current Action Underway	Next Milestone	Estimated Completion Date
115	Implementation Strategy: Provide a full range of programs and activities to address community needs, such as health and fitness. By accomplishing this objective, staff will encourage active, healthy lifestyles. The sports program will provide fitness for the youth and healthy eating classes at the senior center will encourage weight management. The two programs will assist in reducing childhood obesity and adult obesity within the community. Long term, smoking and vaping use by residents will go down due to healthier lifestyles.	Healthy meals are prepared and provided for seniors as well as providing resources for virtual exercise programs and more; Small pod programs are activated when feasible. Sports programs will continue to align with County and State guidance; worked with the County to provide for 20 slots for youth in the COVID Youth Ambassador Program; programs continue; Looking to fund 2nd phase of youth ambassadors to focus on smoking/vaping initiative; Youth Works Employment Program provides job experience for youth and mentorship/staff for business community;	Next Phase of Youth Ambassadors	June 2022
116	Implementation Strategy: Support arts and crafts, public art projects, classroom instruction in music and dance, physical conditioning and health care. Provide meeting facilities and other program activities for all cultural, age, physical and mental capability, and income groups in the community. By accomplishing this objective, staff will encourage artistic development in Pittsburg. Not all recreational programs are sports related, classes and programs such as anime sketch classes, youth performance showcases, Art in the Park, multimedia, and youth theatre in partnership with PACF and the California Theatre. By emphasizing arts, music and dance, the City will see a 15% increase of local art shows at the OTAC and 10% of local dance performances at the California Theatre.	Basketball Mural Project at Hillsdale Court completed, classes are slowly resuming for seniors indoors, additional classes and activities will resume as locations and reopening allows; Utility box mural program almost complete, supported organizations to provide programs in arts, sport, and enrichment (Aspire Youth, Pittsburg Performing Arts, Nunley's Karate-do, East Bay Karate-Do, Kumon, Healthy Hearts Institute)	Programming for Spring/Summer	June 2022
117	Implementation Strategy: Continue to provide a safe and active environment for our 50+ residents. By accomplishing this objective, staff will see a rise in the spending habits of this critical population. Over 18.2% of the Pittsburg community is between 50 and 64. This typically is a segment of the community with disposable income and a desire for more activity. Long term, a 5% increase in sports like pickle ball, yoga, and line-dancing will encourage this segment.	Senior Center has been able to provide 2 meal programs for the senior community (CC Café- 17,160 meals and City Supplemental Program- 2,440 meals between July 1-Dec 11, 2020); provided information to virtual classes; perform weekly wellness calls/social distanced visits, and a virtual Winter Ball, Outdoor Senior Center at SWP (April 2021); Drive-up/Walk-up Health Fair (April 2021); Supplemental Food Program continues; Senior Center opened on modified schedule with classes and meals on 7/12/21, Senior Center opened on modified schedule with classes and meals on 7/12/21; Senior Center remains open with programming for seniors, CC Cafe meal program continues, In-Person Winter Ball held in December (80 attendees)	Senior Center is currently operating on a modified schedule due to current CC Health guidelines, but next milestone is when it is back to full operation	June 2022
118	<input type="checkbox"/> Foster collaboration, coordination, and partnerships throughout the community.			
119	Implementation Strategy: Continue to foster relationships with other city, state and federal entities; other city departments; non-profit organizations; boards, commissions, and neighborhood groups. Offering programs and classes in partnership with organization like First 5 Contra Costa, an organization focused on making sure primary children ages 5 and under are healthy and ready to learn. By collaborating with First 5 Contra Costa, school children will be better learners. Long term, educational proficiencies and job opportunities will increase for the more educated population.	During COVID-19 restrictions, virtual resources are being provided, working with Aspire to create a theatre program. Partnered with PACF on the Utility box mural program which is almost complete; supported organizations to provide programs in arts, sport, and enrichment (Aspire Youth, Pittsburg Performing Arts, Nunley's Karate-do, East Bay Karate-Do, Kumon, Healthy Hearts Institute)	Spring/Summer programming	June 2022
120	Implementation Strategy: Promote the "Parks Make Life Better" campaign and other such community events and activities that support parks and programs. There are 27 parks and over 100 events or activities each year in the park system. These programs and activities include: Eats and Beats Food Trucks, Farmers Markets, Car Shows, Music in the Park, sports programs, festivals, STEM Week, Wipe Out Wednesdays, community clean-ups, and more. Actively marketing the "Parks Make Life Better" campaign will increase the publicly available events in the park system by 10%. Long term, the more recreational activities in the park system will allow for a reduction in obesity levels in Pittsburg.	Discussions for 2022 Farmer's Market to occur in January 2022. PCFMA determined not feasible for 2021; Eats & Beats returned 7/13/21. Eats & Beats to resume in February 2022; PCFMA determined that they would no longer operate a market in Pittsburg	Car Show, Music at the Marina, Movies in the Park; other events	June 2022
121	<input type="checkbox"/> Employ an ongoing system of organizational evaluation.			
122	Implementation Strategy: Conduct periodic program surveys and studies. The department has 5 full time employees, 38 seasonal employees, and serves approximately 50,000 users annually. The demands for appropriate and engaging programming is constantly evolving. The surveys will lead to the elimination of the lowest 5% of programming and replace it with new, preferred programs. Long term, the department will be more engaging and see a 10% increase in participation.	Staffing and programming has been dramatically impacted by Covid-19; Sports surveys are provided to participants after each sport/activity, survey evaluates instructors, organization, interest and recommendation, also asks for other interests; feedback is favorable; Exit interview/survey is provided to all Youth Employment participants to determine effectiveness of program and areas for improvement.	Junior Kings Survey	April 2022
123	Implementation Strategy: Conduct a bi-annual departmental self-assessment. The department has 5 full time employees, 38 seasonal employees, and serves approximately 50,000 users annually. The demands for appropriate training for all recreation staff is constantly evolving. Long term, a better trained department will provide for increased quality of programs and activities.	This will resume once the Department is able to offer full programs and services.	Staff assessment	December 2022

**City of Pittsburg
Mayor and City Council
Advance Meeting Agenda
January 29, 2022**

Facilitated by Patrick Ibarra
The Mejorando Group

BENEFITS FROM GOOD GOVERNMENT

“Role of local government is to be the protagonist/advocate for a better quality of life.”

- Safe communities
- Clean communities
- Vibrant community which incorporates businesses, amenities,
- Healthy community
- Well maintained facilities and infrastructure
- Facilitating economic growth
- Educating our community
- Embracing culture and diversity
- Promoting the provision of high quality social services
- Desirability for people to move and relocate/invest here
- Inclusion – something here for every age group
- Good constituent services – either city hall or water department
- Not good enough just to be good. We have to be the best. Benchmarking against other communities. How are we measuring things? Keep in mind – best in class in certain things so people make that decision to move here.

HEADWINDS

EXAMINE THE PRESENT AND THE FUTURE



- Future for car dealerships – rise of online sales and potential loss of revenue.
- Possibly fewer movie theaters due to increased streaming
- How we deal with money (i.e., pay for things and services) – use of apps, Apple and Google pay,
- People still want to have that 1-1 human connection
- Rise of unused skills that are marketable – create space and another source of income;
- Vibrancy and beautifying our community
- Night time entertainment opportunities and our identity – who are we when the lights go off?
- Challenges from adjacent cities turns into a problem for us. Partner together to address issues that impact our communities.
- Placemaking – creating a sense of place, recreate, frequenting our businesses.
- Provide right amenities and retail opportunities

- Traffic circulation mobility and transitioning out of one-person vehicles.
- Rising population and more people on roadways.
- Legislation and legal aspects – aggressive legislature (i.e. land use and zoning, push to eliminate single family zoning, decriminalization, and clean energy goals)
- Possible rise in taxes and fees and impact on low-income community.

TAILWINDS: **ROLE AS A CREDIBLE COMMUNITY BUILDER**

- Our future role will be...
 - Be the conduit to the community
 - Ensuring Pittsburg is a prosperous place to live.
 - Preparing the organization, city workforce and community members for the next big storm.
 - Influence what we can't control – partners, state and counties,

GOALS AND POTENTIAL OBJECTIVES

- Public Safety. Prioritize public safety, health, and welfare in the City Budget and when reviewing projects.
- Public Infrastructure. Improve public facilities and infrastructure and increase beautification of City maintained areas.
- Economic Development. Continue economic development through strategic partnerships, promotion of diversified housing, and the retention and growth of new and existing businesses.
- Efficiency. Increase efficiency of City operations and services through technology and streamlined processes.
- Quality of Life. Improve the quality of life for all Pittsburg residents.

“HOT” TOPICS

- Focus of ARPA funds
- Homeless Programs
- Youth Programs
- Cannabis
- Infrastructure
 - Road/Street improvements
- Beautification – appearance
- City staff levels and succession planning
- Government efficiency and effectiveness

ARPA Funding Matrix

Item	Project	Description	Subcommittee	ARPA	Surplus	Measure M (3 Yrs)	PDF (3 Yrs)	City Budget	Total
Starting Amount				16,290,477	9,600,000	6,000,000	8,250,000	3,110,000	43,250,477
1	Broadband - Internet Connectivity	Broadband Improvements in Marina and Business Areas	Econ Dev	500,000	-	-		-	500,000
2	City - Enterprise Resource Planning	Citywide Integration Software Upgrade	Finance	1,190,000	-			-	1,190,000
3	City - Replenish General Fund Loss	Revenue Loss Due to Covid	Finance	8,035,477	-			-	8,035,477
4	City - Solar to City Bldg	Marina and Senior Center Solar Panels	Infrastructure	115,000	-	-		-	115,000
5	Covid - Foreclosure Assistance	Mortgage and Rental Assistance	Com Serv	100,000	-			-	100,000
6	Covid - Homeless Encampment Clean Up	Sanitary Clean Up and Area Response	Com Serv	400,000	-			-	400,000
7	Covid - Response Costs	City Costs for Covid Impacts	Finance	400,000	-			-	400,000
8	Economic Dev - Business Expansion Incentives	Economic Strategic Plan Incentives	Econ Dev	300,000	-	-		-	300,000
9	Economic Dev - Local Business Coaching	Business Coaching for Diverse Entrepreneurs	Com Serv	350,000	-	-		-	350,000
10	Fleet - Vehicle Replacement	Fleet Replacement with EV/H Emphasis	Finance	1,500,000	-	-		-	1,500,000
11	Green Infrastructure - TBD	Storm Drain Improvements	Infrastructure	788,000	-			-	788,000
12	Green Infrastructure - Trash Capture	Unfunded Infrastructure Mandates	Infrastructure	400,000	-			-	400,000
13	Landscape - Living Grn Trail - CalTrans Grant Match	Trail System Improvements Along Frontage Road	Infrastructure	812,000	-			-	812,000
14	Non-Profit - Assistance Programs	Financial Assistance to Non-Profits in Pittsburg	CDBG	400,000	-			-	400,000
15	Non-Profit - PACF Assistance	Arts and Literacy Assistance to PACF	Com Serv	400,000	-			-	400,000
16	Tourism - Courtyard Hotel Incentives	Financial Offset for Hotel	Econ Dev	600,000	-	-		-	600,000
Subtotal				16,290,477	-	-	-	-	16,290,477
Amount Remaining				-	9,600,000	6,000,000	8,250,000	3,110,000	26,960,000
Grants Received or In Budget									
17	City - Police Department Evidence Room	Police Evidence Room Upgrades		-	-	-		500,000	500,000
18	City - Police Department Security Fence Phase 1	Police Security Fencing		-	-	-		350,000	350,000
19	City - Police Department Servers	Police Server Upgrades		-	-	-		510,000	510,000
20	City - Police Department Women's Locker Room	Police Locker Room Expansion for Additional Officers		-	-	-		250,000	250,000
21	Landscape - Heart of Pittsburg Grant Match	RR Avenue Improvements from Hwy 4 to 10th Street		-	450,000	-		-	450,000
22	Landscape - Park Restrooms – Buchanan Park	Restroom Replacement for Buchanan Park			500,000	-	500,000	-	1,000,000
23	Landscape - Park Restrooms – City Park	Restroom Replacement for City Park			750,000	-	750,000	-	1,500,000
24	Pavement - Maintenance GF Line Item (3 Yrs)	Additional Pavement Projects Per Fiscal Year		-	-	-		1,500,000	1,500,000
25	Tourism - Pittsburg Premier Soccer Fields	Construction of 3 Soccer Fields		-	1,000,000	-	7,000,000	-	8,000,000
26	Youth - Marina Center Improvements	Building Rehabilitation for Youth and Senior Programs		-	-	1,500,000	-	-	1,500,000
Subtotal				-	2,700,000	1,500,000	8,250,000	3,110,000	15,560,000
Amount Remaining				-	6,900,000	4,500,000	-	-	11,400,000
Measure M Eligible									
27	3rd Party – Contract Code Enf (3 Yrs)	Hire Additional Code Enforcement Officers		-	-	300,000		-	300,000
28	3rd Party – Contract Park Patrol (3 Yrs)	Funding for Evening Park Patrols		-	-	865,000		-	865,000
29	3rd Party – Contract Security Cams (3 Yrs)	Repair and Replace Older Security Cameras		-	-	750,000		-	750,000
30	City - Entrance Features	Construct New City Entrance Features			-	250,000		-	250,000
31	City - Police Department Drones	Acquire More Drones for Police			-	100,000		-	100,000
32	City - Police Department Workstation Upgrades	Police Workstation Upgrades			-	250,000		-	250,000
33	Economic Dev – Improve Siena Court for Use	Lease and TI Funding for Siena Court		-	-	1,000,000		-	1,000,000
34	Economic Dev - Outdoor Container District	Create a Downtown Attraction with Containers		-	-	2,000,000		-	2,000,000
35	Economic Dev - Waterfront Feasibility Study	Evaluate Ferry System Along Waterfront		-	-	150,000		-	150,000
36	Fleet - Charging Stations	Add Charging Stations at City Hall			-	100,000		-	100,000
37	Fleet - Comm & Econ Dev Vehicles	Replace CEDD Vehicles with EV/H			-	100,000		-	100,000
38	Fleet - Police Department OES Vehicle	Acquire New OES Vehicle for Police			-	400,000		-	400,000
39	Fleet - Small World Park Golf Carts	Acquire Two Golf Carts at Small World Park			-	25,000	-	-	25,000
40	Fleet - Youth Vehicles	Acquire Two Vehicles for Recreation			-	100,000		-	100,000

ARPA Funding Matrix

41	Non-Profit - PAL Programs and Staffing (3 Yrs)	Provide Executive Director Funding		-	600,000	-	-	600,000
42	Pavement - Sidewalk Repair	Fund Citywide Sidewalk Repair		-	750,000	-	-	750,000
43	Pavement - Signal Upgrades (Adaptive Signals)	Improve Signal Performance		-	1,000,000	-	-	1,000,000
44	Pavement - Street Improvements and Slurry	Additional Pavement Projects		-	3,000,000		-	3,000,000
45	Pavement - Streetlight Data (CCTA) (3 Yrs)	Work with CCTA on Traffic Data	-	-	150,000		-	150,000
46	Pavement - Streetlight LED Replacement	Replace Outdated Streetlights with LED Lights	-	-	500,000		-	500,000
47	Seniors - Senior Center Computer Lab	Update Computers in Senior Center		-	15,000	-	-	15,000
48	Seniors - Senior Center Kitchen Upgrades	Replace Older/Inefficient Kitchen Equipment		-	60,000	-	-	60,000
49	Seniors - Senior Center Security Cams	Install Security Cameras at Senior Center		-	30,000	-	-	30,000
50	Tourism – Dream Courts Improvements	Improve Park Area Around Dream Courts	-	-	1,000,000	-	-	1,000,000
51	Youth - Collaborative CBO Pgms	Create Collaborative Programs with CBOs		-	100,000	-	-	100,000
52	Youth - Improve Your Tomorrow - F (3 Yrs)	Provide Funding to MDUSD/PUSD for IYT Program	-	-	390,000		-	390,000
53	Youth - Improve Your Tomorrow - M (3 Yrs)	Provide Funding to MDUSD/PUSD for IYT Program	-	-	390,000		-	390,000
54	Youth - Library Add Monday (3 Yrs)	Expand Hours at Library for Youth and Seniors		-	350,000	-	-	350,000
55	Youth - My Brothers Keeper Program (3 Yrs)	Funding for MBK Program in Pittsburg	-	-	750,000		-	750,000
56	Youth - My Sisters Keeper Program (3 Yrs)	Funding for MSK Program in Pittsburg	-	-	750,000		-	750,000
57	Youth - Recreation Outdoor Fitness Center	Construct Fitness Center Adjacent to Marina Center		-	200,000	-	-	200,000
58	Youth - Skate Park @ City Park	Construct a Skate Park		-	500,000	-	-	500,000
59	Youth - STEAM Camps/Workshops	Create and Host STEAM Camps		-	25,000	-	-	25,000
60	Youth - Y and Y Adult Services Master Plan	Implement Strategies		-	500,000		-	500,000
Subtotal			-	-	17,450,000	-	-	17,450,000
Amount Remaining			-	6,900,000	(12,950,000)	-	-	(6,050,000)
Other Potential Projects								
61	3rd Party - Urgent Care Tenant Improvements	Facilitate Development of Urgent Care	-	750,000		-	-	750,000
62	City - California Theatre Improvements	Green Room Upgrades	-	1,750,000		-	-	1,750,000
63	City - OPEB FY 20-21 Payment	Replenish OPEB Payment for FY 2020-21	-	1,200,000		-	-	1,200,000
64	City - PPC Property Purchases	Replenish Funding to PPC for Property Purchases	-	1,600,000		-	-	1,600,000
65	City - Public Art Installations	Dedicate Funding for Art in Pittsburg	-	350,000		-	-	350,000
66	City - Utility Box Art Murals (3 Yrs)	Dedicate Funding for Utility Box Art		60,000		-	-	60,000
67	Green Infrastructure - Buchanan Road Storm Drain	Improve Drainage at Buchanan Road	-	1,500,000		-	-	1,500,000
68	Green Infrastructure - North Parkside Storm Drain	Improve Drainage at North Parkside	-	2,000,000		-	-	2,000,000
69	Green Infrastructure - Stoneman Storm Drain	Improve Drainage at Stoneman Avenue	-	1,500,000		-	-	1,500,000
70	Landscape - Canal Pedestrian Bridge	Construct a Ped Bridge Over the Canal		1,000,000		-	-	1,000,000
71	Landscape - Landscape Master Plan	Implement LMP Recommendations		1,500,000		-	-	1,500,000
72	Landscape - Leland Road Pedestrian Bridge	Construct Ped Bridge Over Leland Road and JHJ Park		12,000,000		-	-	12,000,000
Subtotal			-	25,210,000	-	-	-	25,210,000
Amount Remaining			-	(18,310,000)	(12,950,000)	-	-	(31,260,000)

**CITY OF PITTSBURG
CITY COUNCIL/AGENCY CONCURRENT MEETING MINUTES**

DATE: April 18, 2022

LOCATION: Council Chamber, City Hall, 65 Civic Avenue, Pittsburg, CA 94565

CITY COUNCIL.AGENCY MEMBERS

Holland Barrett White, Mayor/Chair
Shanelle Scales-Preston, Vice-Mayor/Chair
Juan Antonio Banales, Council/Agency Member
Jelani Killings, Council/Agency Member
Marilyn Craft, Council/Agency Member
S.L. Floyd, Agency Member
Annie Hill Herring, Agency Member

APPOINTED OFFICIALS

Garrett Evans, City Manager/Executive Director
Donna Mooney, City Attorney/Legal Counsel
Alice E. Evenson, City Clerk/Agency Secretary (elected)
Nancy Parent, City Treasurer (elected)

Mayor White called the Meeting of the City Council to order at 7:00 P.M. in the City Council Chamber at City Hall, 65 Civic Avenue, Pittsburg, CA after convening in Closed Session at 6:00 P.M. for the following items:

1. CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Section 54957.6:

City designated representatives: Garrett Evans, Maria Aliotti

Employee organizations: American Federation of State, County, and Municipal Employees Local 512 Management/Professional/Confidential Unit and Miscellaneous A Unit; Pittsburg Police Officers' Association; Pittsburg Police Managers Group; Teamsters Local 856; International Brotherhood of Electrical Workers Local 1295

Unrepresented employees: Management Group; Senior Executive Team

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Section 54956.8:

Property: 985 Railroad Avenue (APN 085-195-010); Negotiator for the Housing Authority: Garrett Evans and Maria Aliotti; Negotiating Party: Pittsburg Chamber of Commerce: Both price and terms of payment

There was no reportable action taken in Closed Session.

ROLL CALL

Vice-Mayor Scales-Preston and Council Member Craft were absent and excused.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance

PRESENTATIONS

3. Pittsburg Literacy Project

Presentation was given by Willie Mims, Yesenia Roman and Gregory Osorio.

PROCLAMATIONS

4. Bike to Work Month

Bruce Ohlson accepted the proclamation declaring Bike to Work Month.

CITY MANAGER REPORTS/REMARKS

City Manager Evans reported on COVID-19 management and upcoming City events.

PUBLIC COMMENTS

There were no public comments.

COMMITTEE REPORTS

Member Killings attended the Economic Development and Waterfront subcommittee.

Member Banales attended the Finance subcommittee.

PUBLIC HEARING

8. Introduction and Waive First Reading of an Ordinance Adopting a Military Equipment Use Policy Per Assembly Bill 481

On Motion by Member Banales, seconded by Member Killings to adopt and carried by the following vote:

AYES: Banales, Killings, White
ABSENT: Craft, Scales-Preston

CONFLICT OF INTEREST STATEMENT

There were no conflict of interest statements.

COMBINED CITY COUNCIL, PITTSBURG HOUSING AUTHORITY, PITTSBURG ARTS AND COMMUNITY FOUNDATION, PITTSBURG POWER COMPANY AND SOUTHWEST PITTSBURG GHAD II AND SUCCESSOR AGENCY CONSENT CALENDAR

On Motion by Member Killings, seconded by Member Banales to adopt and carried by the following vote:

AYES: Banales, Killings, White
ABSENT: Craft, Scales-Preston

9. Minutes of April 4, 2022
10. Adoption of City Council Resolution Declaring that Certain City-Owned Real Property as Exempt Surplus Land Under California Government Code Section 54234(a)(1) and Authorizing Filing of a Notice of Exemption
11. Adoption of a City Council Resolution to Authorize an Application for Grant Funds from the California Department of Water Resources for an Aquatic Adventure Camp
12. Adoption of a City Council Resolution to Accept Project 5060, Filter Media Replacement Project as Complete and Authorize the City Engineer to File a Notice of Completion
13. Adoption of a City Council Resolution to Amend the Master Pay Schedule as Required by California Public Employees' Retirement System
14. Adoption of a City Council Resolution to Authorize Allocation of Los Medanos Community Health District – Health and Wellness Grant 2022

COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

There were no requests for future agenda items.

COUNCIL MEMBER REMARKS

There were no council member remarks.

ADJOURNMENT

The City Council adjourned at 8:17 P.M. to May 2, 2022.

Respectfully submitted,

Alice E. Evenson, City Clerk

**CITY OF PITTSBURG
HOUSING AUTHORITY MEETING MINUTES**

DATE: April 18, 2022

LOCATION: Council Chamber, City Hall, 65 Civic Avenue, Pittsburg, CA 94565

CITY COUNCIL.AGENCY MEMBERS

Holland Barrett White, Mayor/Chair
Shanelle Scales-Preston, Vice-Mayor/Chair
Juan Antonio Banales, Council/Agency Member
Jelani Killings, Council/Agency Member
Marilyn Craft, Council/Agency Member
S.L. Floyd, Agency Member
Annie Hill Herring, Agency Member

APPOINTED OFFICIALS

Garrett Evans, City Manager/Executive Director
Donna Mooney, City Attorney/Legal Counsel
Alice E. Evenson, City Clerk/Agency Secretary (elected)
Nancy Parent, City Treasurer (elected)

CALL TO ORDER

Chair White called the meeting of the Housing Authority to order at 7:40 P.M. in the City Council Chamber at City Hall, 65 Civic Avenue, Pittsburg, California.

ROLL CALL

Vice-Chair Scales-Preston and Member Craft were absent and excused.

CONSIDERATION

5. Adoption of a Housing Authority Resolution Amending the Fiscal Year 2021-22 Budget Based on Year-End Revenue and Expenditure Projections

On Motion by Member Killings, seconded by Member Banales, to adopt and carried by the following vote:

AYES: Banales, Herring, Killings, White
ABSENT: Craft, Floyd, Scales-Preston

CONSENT CALENDAR

On motion by Member Banales, seconded by Member Killings to adopt and carried by the following vote:

AYES: Banales, Herring, Killings, White
ABSENT: Craft, Floyd, Scales-Preston

6. Minutes of March 21, 2022
7. Disbursement List of February 28, 2022

HOUSING AUTHORITY MEMBER REMARKS

There were no Housing Authority Member remarks.

ADJOURNMENT

The Housing Authority was adjourned at 8:00 P.M.

Respectfully submitted,

Alice E. Evenson, Secretary



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Making Findings in Support of Continuing to Hold Public Meetings by Teleconference Pursuant to California Government Code Section 54953(e)

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

Assembly Bill 361 (AB 361) amended the Brown Act to allow local legislative bodies to continue to meet remotely during proclaimed states of emergency under specified conditions. Findings must be made every 30 days.

FISCAL IMPACT

There is no fiscal impact to the General Fund by this action.

RECOMMENDATION

The City Council adopt the attached resolution, continue in-person meetings with the exception of subcommittee meetings which will remain virtual.

BACKGROUND

Beginning in March 2020, Governor Newsom issued a series of Executive Orders aimed at containing the novel coronavirus. Among these were Executive Orders—N-25-20 and N-29-20 (collectively, the “Brown Act Orders”) — that waived requirements in the Brown Act expressly or impliedly requiring the physical presence of legislative body members, staff, or the public at local agency meetings.

On June 11, 2021, the Governor issued Executive Order N-08-21, to begin winding down some of the prior measures that were adopted to respond to COVID-19. Notably, N-08-21 established an end date to the Brown Act Orders, effective September 30, 2021.

On September 16, Governor Newsom signed Assembly Bill 361 which amended the Brown Act to allow local legislative bodies to continue to meet remotely during proclaimed states of emergency under specified conditions and so long as certain findings are made by a

majority of the legislative body. As detailed in the attached resolution, findings were made on April 4, 2022, and are effective for 30 days.

SUBCOMMITTEE FINDINGS

This item was not submitted to a subcommittee.

STAFF ANALYSIS

Local legislative bodies such as a city council that wish to continue meeting by teleconference must comply with the requirements of California Government Code Section 54953, which was amended by AB 361.

Specifically, newly amended Government Code Section 54953 requires the following procedures:

- Give notice and post agendas as otherwise required by the Brown Act;
- List on the agenda how the public can electronically attend and comment at the meeting. Note that a public agency is not required to offer an in-person option for the public to attend and comment at such a meeting;
- Provide an opportunity to comment in advance of and during the meeting;
- Allow a reasonable amount of time to register, if required, and comment on each agenda item or at least the amount of time allowed per agency meeting protocols, whichever is longer;
- No action may be taken during a disruption that inhibits the broadcast of the meeting or the public's ability to comment;
- All votes must be via rollcall;
- Comply with state and federal civil rights and non-discrimination laws; and
- Take all precautions to protect the statutory and constitutional rights of the public.

While it only applies in situations where the Governor has proclaimed a state of emergency, and not, for instance, when only a local health officer has declared an emergency, AB 361 provides an explicit avenue for local public agencies to meet remotely in the case of a public health, or other, emergency that inhibits the opportunity to meet in person. AB 361 provides the flexibility to meet by teleconference through December 31, 2023, unless extended.

The City Council resolution, if approved, would authorize teleconferenced meetings of subcommittees.

Making the findings would allow teleconferenced meetings for the next 30 days.

ATTACHMENTS: Resolution

Report Prepared By: Garrett Evans, City Manager

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Making Findings in Support of Continuing to)
Hold Public Subcommittee Meetings By) RESOLUTION NO. 22-
Teleconference Pursuant to California)
Government Code Section 54953(e))

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a state of emergency due to COVID-19; and

WHEREAS, on March 10, 2020, the Contra Costa County Board of Supervisors issued an emergency proclamation to respond to COVID-19; and

WHEREAS, on March 16, 2020, the City Council proclaimed the existence of a local emergency in response to COVID-19; and

WHEREAS, on March 12, 2020, the Governor issued Executive Order N-25-20, which suspended specified requirements under the Brown Act with regard to teleconferenced meetings of legislative bodies during the period in which state or local public health officials have imposed or recommended measures to promote social distancing; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20, which modified and replaced the Brown Act language of Executive Order N-25-20, continuing to suspend specified requirements under the Brown Act for teleconferenced meetings of legislative bodies during the period in which state or local public health officials have imposed or recommended social distancing measures; and

WHEREAS on June 11, 2021, the Governor issued Executive Order N-08-21, which modified and replaced the Brown Act language of Executive Order N-29-20 and set forth an end date of September 30, 2021; and

WHEREAS, in September 2021 the State Legislature passed Assembly Bill 361, which was signed into law by the Governor on September 19, 2021; and

WHEREAS, AB 361 amended the Brown Act at Government Code Section 54953 to allow, until January 1, 2024, a legislative body to use teleconferencing without adhering to specified requirements so long as, among other circumstances, the meeting is held during a proclaimed state of emergency and state or local officials have imposed or recommended measures to promote social distancing, and so long as the legislative body reconsiders the circumstances every 30 days; and

WHEREAS, on September 20, 2021, the Contra Costa County Health Officer issued recommendations for public meetings, which recommendations include social distancing, and

WHEREAS, on October 4, 2021, and November 1, 2021, the City Council adopted a resolution authorizing teleconferenced meetings for the City Council, commissions, and subcommittees; and

WHEREAS, following an improvement in the incidence of COVID cases, the City Council adopted Resolutions on November 29, 2021, December 20, 2021, January 18, 2022, February 7, 2022, March 7, 2022, and April 2, 2022 to authorize meetings with public participation by teleconference and in-person attendance by members of the City Council and commissions, and otherwise fully teleconferenced meetings for subcommittees; and

WHEREAS, with the emergence of the Omicron variant, which may spread more easily than other variants, and in the wake of holiday gatherings of persons, the incidence of COVID increased markedly and then decreased but continues to be transmitted in the community.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby makes the following findings:

1. The circumstances of the state of emergency have been reconsidered. The state of emergency declared by the Governor has not been terminated. The state of emergency declared by the County Board of Supervisors has not been terminated. The state of emergency declared by the City Council has not been terminated.
2. State or local officials continue to impose or recommend measures to promote social distancing. The County Health Official on September 21, 2021, and on March 1, 2022, issued a recommendation for social distancing, among other recommendations, during public meetings.

BE IT FURTHER RESOLVED that the City Council hereby approves meetings of subcommittees to be held by teleconference in compliance with California Government Code Section 54953(e). As there are numerous subcommittees, some which are comprised of members of more than one legislative body, and meet frequently, for the protection of the health of attendees all subcommittee meetings are to be held by teleconference.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 2nd day of May 2022, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Holland Barrett White, Mayor

ATTEST:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager/Executive Director/

SUBJECT: Adopting a City Council Resolution Directing the Engineer of Work to Prepare and File an Annual Report for the Citywide Landscaping and Lighting Assessment District 88-01 for Fiscal Year 2022-2023

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

Directing the City Engineer as the Engineer of Work to prepare and file the Engineer's Report is the first of three steps in the annual renewal process for the Citywide Landscaping & Lighting Maintenance District 88-01. Upon receipt and approval of the Engineer's Report, the City Council may then order that the liens be placed on the County tax roll. Revenue collected through this district is necessary to fund the landscaping and lighting operations on a citywide basis.

FISCAL IMPACT

The fiscal impact of the approval of Landscaping & Lighting Maintenance District 88-01 has not yet been determined for Fiscal Year (FY) 2022-23. This will be part of the next step with review of the Engineer's Report. For FY 2021-22, the assessments collected are estimated at \$3,074,649. This amount reflects the increase approved by voters in June 2007 of \$25 per benefit factor for each residential land use, resulting in a total assessment of \$102.18 per benefit factor. The approved spending plan to maintain the district was estimated at \$5,013,083. A transfer of \$1,799,986 which includes the City's subsidy of assessments on school properties and City-owned properties and general benefit that has been budgeted from the General Fund. In addition, the City budgeted Measure C Funds in the amount of \$105,000 to cover the cost of concrete repairs (damaged by street trees) within the District.

RECOMMENDATION

City Council approve the attached resolution directing the Engineer of Work to prepare and file an annual report for Fiscal Year 2022-23 for District 88-01.

BACKGROUND

In June 1988, the City Council confirmed the Engineer's Report, ordered improvements and levied the first annual assessment for District 88-01. Since then, the funds collected annually by this district support the City's landscaping and lighting operations citywide.

Services include the following:

Park maintenance, including park related structures (restrooms, pool, etc.);
Street median and right-of-way landscaping maintenance;
Street tree maintenance;
Sidewalk repair related to street tree damage only; and
Street light energy costs and maintenance.

SUBCOMMITTEE FINDINGS

This item was not reviewed by a Subcommittee.

STAFF ANALYSIS

State statutes mandate the annual renewal procedures for District 88-01. The first step is for the City Council to direct the Engineer of Work to prepare and file an annual report. The report will be submitted for City Council consideration in June.

Following preparation of the annual Engineer's Report, the City Council will consider adoption of a resolution of intention to levy and collect assessments within the district. In July, the City Council will hold a public hearing before considering confirming the district and levying the annual assessments.

ATTACHMENTS: Resolution

Report Prepared By: Sharon Paz, Administrative Specialist

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Directing the Engineer of Work to Prepare)
and File an Annual Report for Landscaping &)
Lighting Assessment District 88-01,)
Citywide (Fiscal Year 2022-23))

RESOLUTION NO. 22-

WHEREAS, the Landscaping & Lighting Assessment District 88-01, Citywide, was previously established by the City Council and approved by the property owners; and

WHEREAS, the City has previously levied assessments on property in this District to pay for improvements therein; and

WHEREAS, Section 22622 of the California Streets and Highways Code requires the City Council to annually adopt a resolution generally describing any proposed new improvements or any substantial changes in existing improvements to be included for the determination of annual assessments levied for any existing assessment district created under the Landscaping and Lighting Act of 1972; and

WHEREAS, Section 22622 further requires that the City Council order the preparation of an Engineer’s Report prior to declaring their intention to levy annual assessments for any district.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby finds that there are no proposed new improvements or any substantial changes in the existing improvements to Landscaping & Lighting Assessment District 88-01, Citywide, and directs Richard Abono, Engineer of Work for District 88-01, to prepare and file with the City Clerk an annual report in accordance with Section 22622 of the Act.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 2nd day of May 2022, by the following vote:

- AYES:
- NOES:
- ABSTAINED:
- ABSENT:

Holland Barret White, Mayor

ATTEST:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager/Executive Director

SUBJECT: Adopting a City Council Resolution Directing the Engineer of Work to Prepare and File an Annual Report for the Oak Hills Landscaping and Lighting Assessment District 88-02 for Fiscal Year 2022-2023

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

Directing the City Engineer as the Engineer of Work to prepare and file the Engineer's Report is the first of three steps in the annual renewal process for the Oak Hills Landscaping & Lighting Maintenance District 88-02. Upon receipt and approval of the Engineer's Report, the City Council may order that the assessments be placed on the County tax roll. Revenue collected through this district is necessary to fund the City's landscaping and lighting operations in the Oak Hills area.

FISCAL IMPACT

The fiscal impact of the approval of Landscaping & Lighting Maintenance District 88-02 has not yet been determined for Fiscal Year (FY) 2022-23. This will be part of the next step with review of the Engineer's Report. For FY 2021-22, the estimated assessments collected totaled \$33,959. The approved spending plan was \$45,567. A transfer of \$1,500 has been budgeted from the General Fund.

RECOMMENDATION

City Council approve the attached resolution directing the Engineer of Work to prepare and file an annual report for Fiscal Year 2022-23 for District 88-02.

BACKGROUND

In June 1988, the City Council confirmed the Engineer's Report, ordered improvements, and levied the first annual assessment for District 88-02. Since then, the funds collected annually by this district support the City's landscaping and lighting operations in the Oak Hills area. Services include the following:

Street median and right-of-way landscaping maintenance;
Street tree maintenance;
Sidewalk repair related to street tree damage; and
Street light energy costs and maintenance.

SUBCOMMITTEE FINDINGS

This item was not reviewed by a subcommittee.

STAFF ANALYSIS

State statutes mandate annual renewal of District 88-02. The first step is for the City Council to direct the Engineer of Work to prepare and file an annual report. The report will be submitted for City Council consideration in June.

Following preparation of the annual Engineer's Report, the City Council will consider adoption of a resolution of intention to levy and collect assessments within the district. In July, the City Council will hold a public hearing prior to considering confirming the district and levying the annual assessments.

ATTACHMENTS: Resolution

Report Prepared By: Sharon Paz, Administrative Specialist

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Directing the Engineer of Work to Prepare)
and File an Annual Report for Landscaping &)
Lighting Assessment District 88-02,)
Oak Hills (Fiscal Year 2022-23))

RESOLUTION NO. 22-

WHEREAS, the Landscaping & Lighting Assessment District 88-02, Oak Hills, was previously established by the City Council and approved by the property owners; and

WHEREAS, the City has previously levied assessments on property in this District to pay for improvements therein; and

WHEREAS, Section 22622 of the California Streets and Highways Code requires the City Council to annually adopt a resolution generally describing any proposed new improvements or any substantial changes in existing improvements to be included for the determination of annual assessments levied for any existing assessment district created under the Landscaping and Lighting Act of 1972; and

WHEREAS, Section 22622 further requires that the City Council order the preparation of an Engineer’s Report prior to declaring their intention to levy annual assessments for any district.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby finds that there are no proposed new improvements or any substantial changes in the existing improvements to Landscaping & Lighting Assessment District 88-02, Oak Hills (District 88-02), and directs Richard Abono, Engineer of Work for District 88-02, to prepare and file with the City Clerk an annual report in accordance with Section 22622 of the Act.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 2nd day of May 2022, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Holland Barret White, Mayor

ATTEST:

Alice E. Evenson, City Clerk



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution Approving a List of Projects to be Funded for Fiscal Year 2022-23 by SB 1, the Road Repair and Accountability Act of 2017

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

Each fiscal year, the City must adopt by resolution a list of projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), also known as “SB 1”. Attached to this report is the proposed list projects to receive this funding during Fiscal Year 2022-23.

FISCAL IMPACT

None from this action. Allocation of funds to specific projects from the list will be presented to the City Council for consideration at a future meeting.

RECOMMENDATION

City Council adopt the attached Resolution approving a list of projects to be funded for Fiscal Year 2022-23 by the Road Maintenance and Rehabilitation Account (SB 1).

BACKGROUND

California Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017), was signed into law by the Governor in April 2017 to address funding shortfalls for transportation projects across the state.

The funding program includes accountability and transparency provisions to help ensure City residents are aware of the projects proposed to receive the funds each fiscal year and which projects have been completed.

The City will receive an estimated \$1,689,157 in SB 1 funding during Fiscal Year 2022-23.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

SB 1 funding helps the City continue essential road maintenance and rehabilitation projects, safety improvements, and increased access and mobility that would not have otherwise been possible without SB 1.

This is the sixth year the City is receiving SB 1 funds for projects.

For Fiscal Year 2022-23, projects are prioritized to help maintain a safe and efficient transportation system in the City. Specifically, by modernizing traffic control equipment and adjusting traffic signal timing, rehabilitating pavement on W Leland Road and Loveridge Road, pavement maintenance on streets in or near the Central Addition Subdivision.

The attached project list identifies four projects and includes a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement. Approval of the project list funded by SB 1 is not considered a project under the California Environmental Quality Act (CEQA) and is, therefore, not subject to CEQA. Individual SB 1 funded projects would, however, be subject to further CEQA analysis before the City Council authorizes construction for individual projects.

ATTACHMENTS:

Resolution
SB-1 FY 2022-23 Project List

Report Prepared By: Stephen Cardiel, Associate Engineer

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approving a List of Projects to be)
Funded by SB 1, the Road Repair)
and Accountability Act of 2017,)
for the Fiscal Year 2022-23)

RESOLUTION NO. 22-

WHEREAS, the Road Repair and Accountability Act of 2017, also known as Senate Bill 1 (SB 1), was passed by the Legislature and signed into law by the Governor in 2017 to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB 1 includes accountability and transparency provisions that will ensure the residents of the City are aware of the projects proposed for funding in the City and which projects have been completed each fiscal year; and

WHEREAS, the City must adopt by resolution a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1. The list must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City anticipates receiving an estimated \$1,689,157 in RMRA funding in Fiscal Year 2022-23 from SB 1; and

WHEREAS, this is the sixth year in which the City is receiving SB 1 funding; and

WHEREAS, SB 1 funding will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, and increasing access and mobility options that would not have otherwise been possible without SB 1; and

WHEREAS, the City used a Pavement Management System (PMS) to help develop the SB 1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that meet the community's priorities for transportation investment; and

WHEREAS, the Fiscal Year 2022-23 funding from SB 1 will help add additional funds for the rehabilitation of the pavement on W Leland Road and Loveridge Road, provide pavement maintenance on streets in the Central Addition Subdivision, update traffic control equipment, and adjust traffic signal timing to improve traffic flow; and

WHEREAS, the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City's streets and roads are in an "at-risk" condition, and this revenue and future SB 1 funding will help the City increase the overall quality of the road system with the goal of improving the City's streets and roads to a "good" condition; and

WHEREAS, approval of a project list funded by SB 1 is not considered a project

under the California Environmental Quality Act (CEQA) and is, therefore, not subject to CEQA review. Individual SB 1 funded projects would, however, be subject to further CEQA analysis before the City Council authorizes construction for individual projects; and

WHEREAS, the SB 1 project list and overall investment in local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will bring significant benefits statewide.

NOW, THEREFORE BE IT RESOLVED that the City Council hereby authorizes and approves the list of SB 1 funded projects for Fiscal Year 2022-23 that is attached to the staff report accompanying this Resolution.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 2nd day of May 2022, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Holland Barrett White, Mayor

ATTEST:

Alice E. Evenson, City Clerk

SB 1 Fiscal Year 2022/23 RMRA Project List

Monday, April 18, 2022

Title	S-11 FY 22/23 Traffic Signal Modification	Amount
Description	Modifications to traffic signal timing and modernization of traffic control equipment.	\$100,000
Location	Signalized Intersections Citywide	
Completion Date	January-23	
Useful Life	2-10 years	
Title	ST-59 SB-1 2022/23 Pavement Management Project	Amount
Description	Pavement rehabilitation	\$800,000
Location	E Leland Road (Railroad Ave to Century Blvd)	
Completion Date	January-23	
Useful Life	10 - 20 Years	
Title	ST-100 STP/OBAG II Pavement Improvement Project	Amount
Description	Pavement rehabilitation of W. Leland Road and Loveridge Road	\$500,000
Location	W. Leland Road (Bailey Road to Railroad Avenue and Loveridge Road (Stoneman Avenue to Buchanan Road).	
Completion Date	June-23	
Useful Life	10 - 20 Years	
Title	ST-60 FY 2022/23 Pavement Maintenance Project	Amount
Description	Provide pavement maintenance in the form of slurry & crack seal.	\$200,000
Location	Various Streets throughout or near Central Addition Subdivision	
Completion Date	June-23	
Useful Life	5-10 Years	



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of a City Council Resolution to Authorize Execution of the Second Amendment to the Consultant Agreement with Harrison Engineering, Inc. for Project 2019, BART Pedestrian and Bicycle Connectivity Project

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

Project 2019, BART Pedestrian and Bicycle Connectivity Project (the “Project”) is for the construction of pedestrian/bicycle trails and bicycle lanes around the Pittsburg Center BART Station in order to provide better access. This resolution will authorize an amendment to the Consultant Services Agreement with Harrison Engineering, Inc., for additional design services necessary to complete the Project design.

FISCAL IMPACT

The design fee for the Project, including the Second Amendment, will be \$872,745. Funding for the proposed additional compensation will be provided from the current approved Project budget, which includes \$3,870,000 from a One Bay Area Grant – 2 (OBAG-2), \$600,000 from a Pedestrian, Bicycle, and Trail Facilities grant (PBTF), \$58,000 from a Transportation Development Act grant (TDA), \$50,000 Measure J Fund (Fund 204), \$700,000 BART Safe Routes to BART Grant, \$300,000 Local Transportation Mitigation Fee (Fund 303) for a total Project budget of \$5,578,000. No new funds are requested.

A Project Budget Summary is attached.

RECOMMENDATION

City Council adopt the attached Resolution authorizing execution of the Second Amendment to the Consultant Agreement with Harrison Engineering, Inc. to extend the performance period, add to the scope of services, and increase compensation to complete the design.

BACKGROUND

The purpose of this project is to improve pedestrian/bicycle access to the Pittsburg Center BART Station. The Project includes construction of Class I trails located in the green space on the west side of Railroad Avenue from the Delta DeAnza Trail to Highway 4, the existing BART parking lot located on Bliss Avenue to Railroad Avenue, a Class I trail with parking on the south side of California Avenue from Railroad Avenue to Harbor Street, and construction of a Class IV bicycle lanes on Railroad Avenue from 17th Street to California Avenue.

On January 22, 2019, staff received notification from the California Department of Transportation (Caltrans) that preliminary engineering funds were approved for the Project and the E-76, Authorization to Proceed with design, was issued.

On May 6, 2019, the City Council adopted Resolution 19-13624 accepting \$3,870,000 OBAG-2 grant, \$600,000 PBTF grant, \$58,000 TDA grant, allocating \$50,000 from the Measure J Fund (Fund 204) and establishing a budget in the amount of \$4,578,000.

On June 11, 2019, four Statements of Qualifications (SOQ) were received from various consultants and were evaluated by staff. Harrison Engineering Inc. was ranked as the most qualified based on the SOQ submitted.

On December 16, 2019, the City Council adopted Resolution 19-13732 authorizing the City Manager to Execute an Agreement for Project design with Harrison Engineering Inc. in the amount of \$648,000. The Consultant Services Agreement with Harrison Engineering was executed on December 18, 2019.

On December 21, 2020, the City Council adopted Resolution 20-13864 accepting a \$700,000 Safe Routes to BART (SR2B) Grant for the Project and allocating \$300,000 Local Transportation Mitigation Fee (Fund 303) as the grant match for the Project.

On October 18, 2021, City Council adopted Resolution 21-14003 to increase Harrison Engineering design fee budget an additional \$119,745 for redesign, in-depth geotechnical testing, and studies. The revised design fee to complete the design of the Project is \$767,745.

SUBCOMMITTEE FINDINGS

This item was not presented to a subcommittee.

STAFF ANALYSIS

Harrison Engineering Inc. was selected for design of the Project based on their familiarity with other grant funded projects, their staff expertise, and previous history of providing high quality engineering services to the City.

During Caltrans review, agency staff requested substantial changes to the design, permitting, and additional studies before the agency will consider approval of the Project.

Harrison Engineering, Inc. has prepared a proposal for the additional design work at a cost not to exceed \$105,000. The proposal was reviewed by Director of Public Works/City Engineer, who determined the additional costs were appropriate. These costs can be incorporated into the existing budget for the Project.

ATTACHMENTS: Resolution
 Project Budget Summary
 Consultant Services Agreement Second Amendment

Report Prepared By: Nhat Phan, Associate Engineer

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Authorizing Execution of Second Amendment)
to Consulting Agreement for Project 2019) RESOLUTION NO. 22-
BART Pedestrian Bicycle Connectivity Project)

WHEREAS, Project 2019, BART Pedestrian and Bicycle Connectivity Project (the "Project") is for the construction of pedestrian/bicycle trails and bicycle lanes around the Pittsburgh Center BART Station in order to provide better access; and

WHEREAS, on June 11, 2019, four Statement of Qualifications (SOQ) were received from various consultants and were evaluated by staff. Harrison Engineering Inc. was ranked as the most qualified based on the SOQ they submitted; and

WHEREAS, on December 16, 2019, the City Council adopted Resolution 19-13732 authorizing the City Manager to Execute an Agreement for Project design with Harrison Engineering Inc. in the amount of \$648,000; and

WHEREAS, the Consultant Services Agreement with Harrison Engineering was executed on December 18, 2019; and

WHEREAS, on October 18, 2021, the City Council adopted Resolution 21-14003 to increase Harrison Engineering design fee budget \$119,745 for redesign, in-depth geotechnical testing, and studies. The revised design fee to complete the design of the Project is \$767,745; and

WHEREAS, during Caltrans review, agency staff requested substantial changes to the design, permitting, and additional studies before they will consider approving the Project; and

WHEREAS, Harrison Engineering, Inc. prepared a proposal for the additional design work at a cost not to exceed \$105,000; and

WHEREAS, the proposal was reviewed by the Public Works Director/City Engineer, Richard Abono, and the additional costs were deemed appropriate and can be incorporated into the existing budget for the Project; and

WHEREAS, if approved, the Second Amendment will authorize a revised design fee for completion of the design of the Project of \$872,745 and extend the performance period.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pittsburgh hereby authorizes the City Manager to execute the Second Amendment to the Consulting Services Agreement Between the City of Pittsburgh and Harrison Engineering, Inc.

PASSED AND ADOPTED by the City Council of the City of Pittsburg at a regular meeting on the 2nd day of May 2022, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Holland Barrett White, Mayor

ATTEST:

Alice E. Evenson, City Clerk

Exhibit "A" - Budget Summary
Project 2019, BART Pedestrian and Bicycle Connectivity Project

Project Funding	OBAG-2 Grant	\$3,870,000
	PBTF Grant	\$600,000
	Safe Routes to Transit (SR2Transit)	\$700,000
	Local TMF (Fund 303)	\$300,000
	TDA Grant	\$58,000
	Measure J	\$50,000
	Funding Total	\$5,578,000

Project Expenditures:

Design: (Code 2122)	Consultant Design	\$623,000
	Design Amendment One	\$119,745
	Design Amendment Two	\$105,000
	Right-of Way	\$25,000
	Subtotal	\$872,745

Miscellaneous: (Code 1399)	Advertising	\$1,000
	Reproduction	\$1,000
	Postage	\$500
	Subtotal	\$2,500

Construction: (Code 2281)	Construction	\$3,793,481
	Construction Contingency (~10%)	\$379,348
	Construction Support	\$62,416
	Material Testing	\$75,000
	Subtotal	\$4,310,245

Staff Time: (Code 1101)	Staff Time During Design	\$44,650
	Staff Time During Construction	\$151,610
	Subtotal	\$196,260

Admin Overhead: (Code 2372)	Staff Administrative Overhead During Design	\$44,650
	Staff Administrative Overhead During Construction	\$151,600
	Subtotal	\$196,250

Estimated Total Expenditures \$5,578,000

**SECOND AMENDMENT TO
CONSULTING SERVICES AGREEMENT BETWEEN
CITY OF PITTSBURG
AND HARRISON ENGINEERING INC.**

This Second Amendment to the Principal Agreement made and entered into on December 18, 2019, hereafter referred to as Agreement, between Harrison Engineering Inc., a California corporation, therein referred to as Consultant or Harrison Engineering Inc., and the City of Pittsburg, a municipal corporation, therein referred to as City, is made and entered into on this ___ day of May, 2022.

WHEREAS, the parties entered into Consulting Services Agreement Between the City of Pittsburg and Harrison Engineering, Inc. on December 18, 2019; and

WHEREAS, the Agreement provides at Section 1.1, Performance Period, shall end on December 18, 2021, unless extended by Agreement Amendment, and

WHEREAS, Caltrans is requiring additional design work for approval of the project; and

WHEREAS, the parties seek to extend the performance period and increase the amount of compensation by \$105,000 to complete additional work required by Caltrans for project approval.

NOW, THEREFORE, Consultant and City do mutually agree as follows:

- 1. Exhibit A.** Exhibit A is hereby amended to add the services set forth in Attachment 1 to this Amendment.
- 2. Performance Period.** Section 1.1(a) of the Agreement is hereby amended to read as follows:

This Agreement shall go into effect on (12/18/19), contingent upon approval by City and Consultant shall commence work after notification to proceed by City's Contract Administrator. The Agreement shall end on (3/18/2023), unless extended by Agreement amendment.

- 3. Compensation.** The first sentence of Section 2 of the Agreement is hereby amended to read as follows:

City hereby agrees to pay Consultant a sum not to exceed Eight Hundred Seventy-Two Thousand Seven Hundred and Forty-Five Dollars (\$872,745), as set forth in Exhibit B.

- 4. Integration.** This Second Amendment contains the entire agreement between the parties with respect to its subject matter and supersedes whatever oral or written understanding they may have had prior to the execution of this Second Amendment. This Second Amendment shall not be amended or modified except by a written agreement

executed by each of the parties. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Consultant shall perform all duties, obligations and conditions required under the Agreement.

5. Inconsistencies. In the event of any conflict or inconsistency between the provisions of this Second Amendment and the Agreement, the provisions of this Second Amendment shall control in all respects.

6. Ambiguities. The parties have each carefully reviewed this Second Amendment and have agreed to each term of this Second Amendment. No ambiguity shall be presumed to be construed against either party.

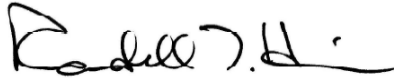
7. Counterparts. This Second Amendment may be executed by the parties in one or more counterparts all of which collectively shall constitute one document and agreement.

8. Authority. The person signing this Second Amendment for Consultant hereby represents and warrants that he or she is fully authorized to sign this Second Amendment on behalf of Consultant.

IN WITNESS WHEREOF, the parties have entered into this Second Amendment on the day and year first herein above appearing.

CONSULTANT:

HARRISON ENGINEERING, INC., a
California corporation

By: 
Randell Harrison, Principal

CITY:

CITY OF PITTSBURG, a municipal
corporation of the State of California

By: _____
Garrett Evans, City Manager

ATTEST:

By: _____
Alice E. Evenson, City Clerk

APPROVED AS TO FORM:

By: _____
Donna Mooney, City Attorney



March 7, 2022

EXHIBIT B

Nhat Phan, Project Manager
 City of Pittsburg - Engineering Division
 65 Civic Avenue
 Pittsburg, CA 94565

**RE: BART Pedestrian/ Bicycle Connectivity Project Contract No. 18-03
 Amendment No. 2 for Ongoing Services to Caltrans Permit Process**

Dear Mr. Phan,

HEI (Harrison Engineering Inc.) is submitting this Amendment No. 2 to the City of Pittsburg for the BART Pedestrian/ Bicycle Connectivity Project for additional services related to the ongoing Caltrans process for permitting and design coordination.

This Amendment is requesting an increase to the project budget for additional work anticipated and already requested by Caltrans in order for them to permit the project.

Caltrans reversed its previous agreement regarding the path along California Avenue and now prefers a Class I only path with “design exceptions”, we helped redefine the current design to minimize required redesign, but many changes are still needed to conform to Caltrans’ new requirements. The work will require revisions to the following plan sheets: Typical Sections, Layout Plans, Pavement Delineation.

On the Bliss Path, the recent identification of shallow irrigation supply lines in the path vicinity required a field meeting and several focus meetings with Caltrans to come to an agreement, resulting in changes to the maintenance agreement, new special provision requirements, and Lighting Plans redesign.

The total cost and scope of services is estimated in the following table. We hope that this additional budget allowance will be sufficient to complete the permitting and design process with Caltrans.

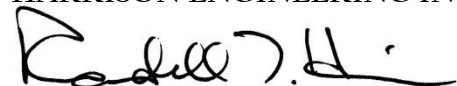
Task	Budget
HEI -Project Management Time (already spent but not billed)	\$15,000
Fehr & Peers – Final PS&E	\$8,500
JMEC - Cost to Address Caltrans Comments	\$2,500
AAA - Cost to Address Caltrans Comments	\$4,000
HEI -Ongoing Cost for Caltrans Required Documents	\$25,000
HEI -Final PS&E	\$40,000
Contingency	\$10,000
Total	\$105,000

In addition to the aforementioned items, there are several other factors that have led to the extensive budget expenditures:

- HEI has already made three-100% Submittals to Caltrans, this next one, currently in process, will be the fourth-100% Submittal.
- Because of the Caltrans changes in process, we've had to redo forms that were previously completed.
- Project schedule has extended from expected completion in November 2020 to October 2022, a 2-Year delay, during which we have constantly been engaged with Caltrans.
- Caltrans has continuously failed to comment fully on their review submittals, and then informally made major comments at Project Development Team (PDT) Meetings, affecting the designs of California Ave and Bliss Path, causing major project delays and requirements to redesign the project.

If you have any questions, please do not hesitate to call.

Sincerely,
HARRISON ENGINEERING INC.



Randell T. Harrison, President



**OFFICE OF THE CITY MANAGER/EXECUTIVE DIRECTOR
65 Civic Avenue
Pittsburg, CA 94565**

TO: Mayor and Council Members

FROM: Garrett Evans, City Manager

SUBJECT: Adoption of an Ordinance for a Military Equipment Use Policy Per Assembly Bill 481.

MEETING DATE: May 2, 2022

EXECUTIVE SUMMARY

On April 18, 2022, the City Council introduced and waived further reading of an Ordinance for a Military Equipment Policy Per Assembly Bill 481.

FISCAL IMPACT

The cost of the current equipment is presently funded and included in the Fiscal Year (FY) budget for FY 2022/2023. No new equipment that is applicable to Assembly Bill 481 is slated for purchase during the listed timeframe.

RECOMMENDATION

Adoption of an Ordinance Approving Pittsburg Police Department Policy 706 Military Equipment Funding, Acquisition and Use Policy.

BACKGROUND

On September 30, 2021, Governor Newsom signed into law seven major peace officer reform bills, including Assembly Bill 481. AB 481 was authored by Assembly member David Chiu (D-San Francisco) to address the funding, acquisition, and use of items lawmakers deemed to be considered “military equipment.” This bill requires law enforcement agencies, including the Pittsburg Police Department, to obtain approval of the applicable governing body, by adoption of a military equipment use policy, as specified, by ordinance at a regular meeting held pursuant to specified open meeting laws, prior to taking certain actions relating to the funding, acquisition, or use of military equipment, as defined.”

Furthermore, AB 481 requires similar approval for the continued use of “military equipment” acquired by the Pittsburg Police Department prior to January 1, 2022, and allows the governing body to approve the funding, acquisition, or use of military equipment within its jurisdiction only if it determines that the military equipment meets specified standards.

On April 18, 2022, the City Council, through consideration, introduced an Ordinance for a Military Use Equipment Policy for the Pittsburg Police Department: Policy 706.

SUBCOMMITTEE FINDINGS

This item was presented to the Public Safety Sub-Committee on March 1, 2022.

STAFF ANALYSIS

The term “military equipment”, as used in AB 481, does not necessarily indicate equipment used by the military. Items deemed to be “military equipment” include, but are not limited to, unmanned aerial or ground vehicles, armored vehicles, command and control vehicles, less lethal 40mm kinetic energy launchers, chemical munitions, and diversionary devices.

The list of items considered “military equipment” by AB 481 are employed by many law enforcement agencies across the country as best practices to enhance citizen and officer safety. The Pittsburg Police Department utilizes equipment that falls within the definitions listed in AB 481 and this equipment is detailed on the PPD Draft Equipment List.

After introducing an Ordinance, the City Council must approve the action by adopting the Ordinance by a majority vote at a subsequent meeting. The Ordinance becomes effective 30 days after the date of its adoption.

ATTACHMENTS: Ordinance
 PPD Draft Policy 706
 PPD Draft Equipment List

Report Prepared By: Patrick Wentz, Police Captain

BEFORE THE CITY COUNCIL OF THE CITY OF PITTSBURG

In the Matter of:

Approving Pittsburg Police Department)
Policy 706 Military Equipment Funding,)
Acquisition and Use Policy)

ORDINANCE NO. 22-

WHEREAS, Assembly Bill 481 was passed by the State Legislature and approved by the Governor in 2021, adding Sections 7070-7075 to the California Government Code requiring each local police department to obtain approval from the city council of a military equipment use policy prior to seeking funds for, acquiring, collaborating with other jurisdictions about the deployment of military equipment as defined, using military equipment, or requesting excess U.S. Department of Defense military equipment; and

WHEREAS, California Government Code Section 7071(a)(2) requires a law enforcement agency to commence a city council approval process no later than May 1, 2022; and

WHEREAS, in compliance with Government Code Section 7071(b), the proposed military equipment use policy was made available on the Pittsburg Police Department website on March 17, 2022, which is at least 30 days before the April 18, 2022, meeting of the City Council.

NOW, THEREFORE, the City Council of the City of Pittsburg Does ORDAIN as follows:

Section 1. Findings and Determinations. The City Council finds and determines as follows:

A. The military equipment set forth in Pittsburg Police Department Policy 706 "Military Equipment Funding, Acquisition and Use Policy" is necessary because there is no reasonable alternative that can achieve the same objective of officer and civilian safety.

B. The proposed military equipment use policy will safeguard the public's welfare, safety, civil rights, and civil liberties.

C. If purchasing the equipment identified in the policy, the equipment is reasonably cost effective compared to available alternatives that can achieve the same objective of officer and civilian safety.

D. Prior military equipment use complied with the military equipment use policy that was in effect at the time, or if prior uses did not comply with the accompanying military equipment use policy, corrective action has been taken to remedy nonconforming uses and ensure future compliance.

Section 2. Approval. The City Council approves the Pittsburg Police Department Policy 706 "Military Equipment Funding, Acquisition and Use Policy," attached as Exhibit A to this Ordinance.

Section 3. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

Section 4. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions.

Section 5. Publication. The ordinance shall be posted and published in accordance with the California Government Code.

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Pittsburg held on April 18, 2022, and was adopted and ordered published at a meeting of the City Council held on May 2, 2022, by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

Holland Barrett White, Mayor

ATTEST:

Alice E. Evenson, City Clerk

Military Equipment Funding, Acquisition and Use Policy

706.1 PURPOSE AND SCOPE

The purpose of this policy is to provide guidelines for the approval, acquisition, and reporting requirements of military equipment (Government Code § 7070; Government Code § 7071; Government Code § 7072).

706.1.1 DEFINITIONS

Definitions related to this policy include (Government Code § 7070):

Governing body – The elected or appointed body that oversees the Department.

Military equipment – Includes but is not limited to the following:

- Unmanned, remotely piloted, powered aerial or ground vehicles.
- Mine-resistant ambush-protected (MRAP) vehicles or armored personnel carriers.
- High mobility multipurpose wheeled vehicles (HMMWV), two-and-one-half-ton trucks, five-ton trucks, or wheeled vehicles that have a breaching or entry apparatus attached.
- Tracked armored vehicles that provide ballistic protection to their occupants.
- Command and control vehicles that are either built or modified to facilitate the operational control and direction of public safety units.
- Weaponized aircraft, vessels, or vehicles of any kind.
- Battering rams, slugs, and breaching apparatuses that are explosive in nature. This does not include a handheld, one-person ram.
- Firearms and ammunition of .50 caliber or greater, excluding standard-issue shotguns and standard-issue shotgun ammunition.
- Specialized firearms and ammunition of less than .50 caliber, including firearms and accessories identified as assault weapons in Penal Code § 30510 and Penal Code § 30515, with the exception of standard-issue firearms.
- Any firearm or firearm accessory that is designed to launch explosive projectiles.
- Noise-flash diversionary devices and explosive breaching tools.
- Munitions containing tear gas or OC, excluding standard, service-issued handheld pepper spray.
- TASER® Shockwave, microwave weapons, water cannons, and long-range acoustic devices (LRADs).
- Kinetic energy weapons and munitions.
- Any other equipment as determined by a governing body or a state agency to require additional oversight.

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706.2 POLICY

It is the policy of the Pittsburg Police Department that members of this department comply with the provisions of Government Code § 7071 with respect to military equipment.

706.3 MILITARY EQUIPMENT COORDINATOR

The Chief of Police and his/her designee will ~~should designate a member of this will to~~ act as the military equipment coordinator. The responsibilities of the military equipment coordinator include but are not limited to:

- (a) Acting as liaison to the governing body for matters related to the requirements of this policy.
- (b) Identifying department equipment that qualifies as military equipment in the current possession of the Department, or the equipment the Department intends to acquire that requires approval by the governing body.
- (c) Conducting an inventory of all military equipment at least annually.
- (d) Collaborating with any allied agency that may use military equipment within the jurisdiction of Pittsburg Police Department (Government Code § 7071).
- (e) Preparing for, scheduling, and coordinating the annual community engagement meeting to include:
 1. Publicizing the details of the meeting.
 2. Preparing for public questions regarding the department's funding, acquisition, and use of equipment.
- (f) Preparing the annual military equipment report for submission to the Chief of Police and ensuring that the report is made available on the department website (Government Code § 7072).
- (g) Establishing the procedure for a person to register a complaint or concern, or how that person may submit a question about the use of a type of military equipment, and how the Department will respond in a timely manner.

706.4 MILITARY EQUIPMENT INVENTORY

The following constitutes a list of qualifying equipment for the Department: [See attachment of Military Equipment Inventory PDF](#)

[Insert attachment here]

706.5 APPROVAL

The Chief of Police or the authorized designee shall obtain approval from the governing body by way of an ordinance adopting the military equipment policy. As part of the approval process, the Chief of Police or the authorized designee shall ensure the proposed military equipment policy is submitted to the governing body and is available on the department website at least 30 days prior to any public hearing concerning the military equipment at issue (Government Code § 7071). The

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military equipment policy must be approved by the governing body prior to engaging in any of the following (Government Code § 7071):

- (a) Requesting military equipment made available pursuant to 10 USC § 2576a.
- (b) Seeking funds for military equipment, including but not limited to applying for a grant, soliciting or accepting private, local, state, or federal funds, in-kind donations, or other donations or transfers.
- (c) Acquiring military equipment either permanently or temporarily, including by borrowing or leasing.
- (d) Collaborating with another law enforcement agency in the deployment or other use of military equipment within the jurisdiction of this department.
- (e) Using any new or existing military equipment for a purpose, in a manner, or by a person not previously approved by the governing body.
- (f) Soliciting or responding to a proposal for, or entering into an agreement with, any other person or entity to seek funds for, apply to receive, acquire, use, or collaborate in the use of military equipment.
- (g) Acquiring military equipment through any means not provided above.

706.6 COORDINATION WITH OTHER JURISDICTIONS

Military equipment should not be used by any other law enforcement agency or member in this jurisdiction unless the military equipment is approved for use in accordance with this policy. [Military equipment used by other jurisdictions that are providing mutual aid to this jurisdiction shall comply with their respective military equipment use policies in rendering mutual aid.](#)

706.7 ANNUAL REPORT

Upon approval of a military equipment policy, the Chief of Police or the authorized designee should submit a military equipment report to the governing body for each type of military equipment approved within one year of approval, and annually thereafter for as long as the military equipment is available for use (Government Code § 7072).

The Chief of Police or the authorized designee should also make each annual military equipment report publicly available on the department website for as long as the military equipment is available for use. The report shall include all information required by Government Code § 7072 for the preceding calendar year for each type of military equipment in department inventory.

706.8 COMMUNITY ENGAGEMENT

Within 30 days of submitting and publicly releasing the annual report, the Department shall hold at least one well-publicized and conveniently located community engagement meeting, at which the Department should discuss the report and respond to public questions regarding the funding, acquisition, or use of military equipment.



PITTSBURG POLICE DEPARTMENT

Professionalism ★ Excellence ★ Trust

65 CIVIC AVENUE PITTSBURG, CA 94565



****Draft** Military Equipment List **Draft****

1. Unmanned Aerial Vehicles

a. **Description, quantity, capabilities, and purchase cost:**

The unmanned Aerial Vehicle (UAV) is a battery powered, remote operated device. Flight time of approximately 30-45 minutes per battery, depending on weather and flight conditions. The UAV has also proven to be useful to public safety agencies in firefighting, search and rescue, pre-operational surveillance, and other tactical situations where aerial views enhance the safety and efficiency of law enforcement and fire personnel.

- i. DJI Matrice 210 V2, cost \$20,000, quantity: 1.
- ii. DJI Mavic Pro, cost \$1,000, quantity: 3.
- iii. DJI Mavic 2, cost \$4,000, quantity: 2.
- iv. DJI Mini 2, cost \$800, quantity: 3.

b. **Purpose:**

To be deployed when its view would assist officers or incident commanders with the following situations, which include but are not limited to:

- i. Major collision investigations
- ii. Emergency Life Threatening Situations
- iii. Search for missing persons
- iv. Natural disaster management
- v. Crime scene photography
- vi. Special Weapons And Tactics, tactical or other public safety and life preservation missions
- vii. In response to specific requests from local, state or federal fire authorities for fire response and/or prevention

c. **Authorized Use:**

Only assigned operators who have completed the required training shall be permitted to operate Pittsburg Police Department's UAV's approved missions.

d. **Expected Lifespan:**

- DJI Matrice 210 V2 - 5 years.
- DJI Mavic Pro - 5 years.
- DJI Mavic 2 - 5 years.
- DJI Mini 2 - 5 years

Pittsburg Police Department Equipment List

- e. **Fiscal Impact:**
Annual maintenance and operator training/licensing cost of approximately \$5000-\$6000.
- f. **Training:**
All Department UAV operators are licensed by the Federal Aviation Administration for UAV operation. UAV operators train quarterly in the use of the UAV's.
- g. **Legal and Procedural Rules:**
Use is established under the FAA Regulation 14 CFR Part 107 and the Pittsburg Police Department UAV policy #606. It is the policy of Pittsburg Police Department to utilize UAV's only for official law enforcement purposes and in a manner that respects the privacy of our community, pursuant to State and Federal law.

2. Armored Personnel Carrier

- a. **Description, quantity, capabilities, and purchase cost:**
The Armored Group LLC BATT (Ballistically Armored Tactical Transport), cost: \$175,000, quantity: 1. The BATT is designed to withstand multiple bullet strikes from small arms fire as well as low level explosions. Equipped with emergency lights/siren and a public address system. Common uses for the BATT include citizen and officer rescues, evacuations, and the deployment of officers and chemical agents. The BATT is deployed for potentially armed or high-risk encounters by trained members of the Pittsburg Police Department.
- b. **Purpose:**
To be used in response to critical incidents to enhance officer and community safety, improve scene containment and stabilization, and assist in resolving critical incidents.
- c. **Authorized Use:**
The use of the BATT shall only be used/operated by authorized members of the Pittsburg Police Department who have been trained in the use of this vehicle.
- d. **Expected Lifespan:**
25 years
- e. **Fiscal Impact:**
Annual maintenance cost of approximately \$5,000
- f. **Training:**
All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.
- g. **Legal and Procedural Rules:**
Use is established under Pittsburg Police Department policy #703. It is the policy of this Department to utilize armored vehicles for official law enforcement purposes and pursuant to State and Federal law.

Command and Control Vehicle

- h. **Description, quantity, capabilities, and purchase cost:**
2007 Wells Cargo Model EW3225W Command Center Trailer, cost: \$35,000, quantity: 1. This vehicle is a large trailer used as a command center during prolonged incidents. The trailer contains desk space, a meeting area, generator, and bathroom.
- i. **Purpose:**
To be used in response to critical incidents to be used as a command center.
- j. **Authorized Use:**
The use of the trailer is limited to trained members of the Pittsburg Police Department.
- k. **Expected Lifespan:**
20 years
- l. **Fiscal Impact:**
Annual maintenance and driver training cost of approximately \$2500.00
- m. **Training:**
All driver/operators shall attend formalized instruction and be trained in vehicle operations and practical driving instruction.
- n. **Legal and Procedural Rules:**
Use is established under Pittsburg Police Department policy #703. It is the policy of this Department to utilize the command vehicle for official law enforcement purposes and pursuant to State and Federal law.

Command and Control Vehicle

- o. **Description, quantity, capabilities, and purchase cost:**
2015 Forrest River 14 foot enclosed trailer, Cost \$15,000, quantity: 1. This enclosed trailer has been modified with desks, computers, and monitors making it a platform the Crisis Negotiation Team uses to operate during a critical incident.
- p. **Purpose:**
To be used in response to critical incidents for Crisis Negotiation Team purposes
- q. **Authorized Use:**
The command trailer shall be used by officers who have been trained in its deployment and use.
- r. **Expected Lifespan:**
20 years
- s. **Fiscal Impact:**
Annual maintenance and driver training cost of approximately \$1,500
- t. **Training:**
All driver/operators shall attend a formalized instruction and be trained in vehicle operations and practical driving instruction.

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u. **Legal and Procedural Rules:**

Use is established under Pittsburg Police Department policy #703. It is the policy of this Department to utilize the command vehicle for official law enforcement purposes and pursuant to State and Federal Law.

3. Specialized Firearms and Ammunition

a. **Description, quantity, capabilities, and purchase cost:**

Guns that are fired from shoulder level, having a long spirally grooved barrel intended to make bullets spin and thereby have a greater accuracy over a long distance and Less Lethal launcher for deploying Kinetic Energy Munition.

- i. Colt AR-15/M4 semi-automatic rifle for patrol use, cost \$16485, quantity: 15.
- ii. Colt AR-15/M4 semi-automatic rifle for SWAT use, cost \$6,594, quantity: 6.
- iii. LWRC M4 semi-automatic rifle for SWAT use, cost \$14,034, quantity: 6.
- iv. PWS MK111 M4 semi-automatic rifle for patrol use, cost \$6,147, quantity: 3.
- v. COLT AR-10 semi-automatic rifle for SWAT use, cost \$2,800, quantity: 2.
- vi. GA Precision GAP-10 Gen 2 6.5 Creedmoor semi-automatic rifle, cost \$7,580, quantity: 2.
- vii. Defense Technology 40MM launcher, cost \$18,715, quantity: 19.
- viii. Winchester 5.56x45mm 55 grain FMJ ammunition, cost \$2,784, quantity 8,000 rounds.
- ix. Winchester 223 Remington 64 grain power point ammunition, cost \$992, quantity: 2,000 rounds.
- x. Hornady .308 Winchester 168 grain, cost \$489, quantity: 400 rounds.
- xi. CTS 4557-40MM Kinetic Sponge Baton round, \$1,463, quantity: 70. For patrol and SWAT use.

b. **Purpose:**

To be used as precision weapons to address a threat with more precision and/or greater distances than a handgun, if present and feasible.

c. **Authorized Use:**

Only members that are POST certified are authorized to use a rifle, and 40MM launcher.

d. **Expected Lifespan:**

Colt AR-15/M4 rifle- 20 years
Remington 700 rifle- 20 years
Defense Technology 40MM launcher- 20 years
Winchester 5.56x45mm 55 grain FMJ ammunition- No expiration

Pittsburg Police Department Equipment List

Winchester 223 Remington 64 grain power point ammunition- No expiration

Hornady .308 Winchester 168 grain- No expiration

CTS 4557-40MM Kinetic Sponge Baton round- No expiration

e. **Fiscal Impact:**

Annual maintenance for firearms and 40mm launchers is approximately \$3000. Although there is minimal maintenance associated with ammunition and 40mm projectiles, costs associated with annual purchases is approximately \$35,000.

f. **Training:**

Prior to the use of the specialized firearms listed within this section, all officers must be certified by POST instructors in the maintenance and operation of such firearms.

g. **Legal and Procedural Rules:**

Use is established under Pittsburg Police policy #306 and 303.9. It is the policy of this Department to utilize specialized firearms only for official law enforcement purposes and pursuant to State and Federal law regarding the use of force.

5. Diversionary Device “Flashbangs”

a. **Description, quantity, capabilities, and purchase cost:**

A Noise Flash Diversionary Devices (NFDD) is a device that creates a bright flash and loud sound to temporarily divert the attention of subjects in the immediate area. NFDD are used to distract and temporarily incapacitate dangerous suspects by overwhelming their senses of vision and hearing. The distraction allows officers to seize a moment of opportunity to take control of the high-risk situations.

- i. Combined Tactical Systems (CTS) Distraction Device, cost \$2,640, quantity: 50.

b. **Purpose:**

To produce atmospheric over-pressure and brilliant white light and, as a result, can cause short-term (6-8 seconds) physiological/psychological sensory deprivation to give officers a tactical advantage.

c. **Authorized Use:**

Diversionary Devices shall only be used:

- i. By SWAT team members who have been trained in their proper use.
- ii. In hostage and barricaded subject situations.
- iii. In high-risk warrant (search/arrest) services where there may be extreme hazards to officers.
- iv. During other high-risk situations where their use would enhance officer safety.
- v. During training exercises.

d. **Expected Lifespan:**

5 years

Fiscal Impact:

Minimal cost associated with staff time to order and store. Cost associated with annual ordering is approximately \$2,500.

Training:

Prior to use, officers must attend diversionary device training that is conducted by POST certified instructors.

e. **Legal and Procedural Rules:**

It is the policy of this Department to utilize diversionary devices only for official law enforcement purposes and pursuant to State and Federal law regarding the use of force.

6. Chemical Agents "Tear Gas"

a. **Description, quantity, capabilities, and purchase cost:**

Chemical agent munitions, which are commonly referred to as "tear gas," are used by the Pittsburg Police Department as a non-lethal tool to disperse rioting suspects and/or barricaded suspects. CS (2-Chlorobenzylidenemalonitrile) and OC (Oleoresin Capsicum) are commonly used by law enforcement agencies across the United States.

CS is an irritating agent and lachrymator (irritates the eyes and causes tears to flow). CS has been medically tested in the UK and US, specifically by the U.S. Army. There are no known allergic reactions to CS. OC was de-regulated in California in 1996, is endorsed by the FBI, and is available to civilians to legally possess (2.5oz or less). OC is an inflammatory agent which causes involuntary closure of eyes (open 2-5 minutes) and respiratory inflammation (subsides in approximately 2 minutes).

- i. Defense Technology eXact Impact 40MM CS, cost \$1,045, quantity: 50.
- ii. Defense Technology 40mm liquid CS, cost \$970, quantity: 40.
- iii. Defense Technology Speed Heat (82 grams), cost \$754, quantity: 25
- iv. Defense Technology Flameless Tri-Chamber (20 grams), cost \$463, quantity: 10

b. **Purpose:**

To limit the escalation of conflict where employment of lethal force is prohibited or undesirable. Situations for use of the less lethal weapon systems may include, but are not limited to:

- i. Self-destructive, dangerous and/or combative individuals.
- ii. Riot/crowd control and civil unrest incidents.
- iii. Circumstances where a tactical advantage can be obtained.
- iv. Potentially vicious animals.
- v. Training exercises or approved demonstrations.

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- c. **Authorized Use:**
Only officers who have received POST certification in the use of chemical agents are authorized to use chemical agents.
- d. **Expected Lifespan:**
Defense Technology eXact Impact 40MM CS Ferret- 5 years.
Defense Technology 40mm liquid CS- 5 years.
Defense Technology Speed Heat- 5 years.
Defense Technology Flameless Tri-Chamber- 5 years.
- e. **Fiscal Impact:**
Minimal cost associated with staff time to order and store. Cost associated with annual ordering is approximately \$3,200.
- f. **Training:**
Officers utilizing chemical agent canisters are certified by POST less lethal and chemical agent instructors.
- g. **Legal and Procedural Rules:**
Use is established under Pittsburg Police policy #303.6. It is the policy of this Department to utilize chemical agents only for official law enforcement purposes and pursuant to State and Federal law regarding the use of force.