

MEMBER CITIES

Alhambra
Apple Valley
Azusa
Baldwin Park
Barstow
Bell
Bellflower
Brea
Calaveras County Water District
Capitola
Carpinteria
Carson
Chino
Claremont
Clovis
Colton
Commerce
Compton
Covina
Downey
Duarte
El Monte
Fairfield
Fontana
Fresno
Gardena
Garden Grove
Glendale
Glendora
Hawaiian Gardens
Hawthorne
Huntington Park
Indio
Inglewood
La Habra
La Puente
Lakewood
Lancaster
Lawndale
Long Beach
Los Angeles
Lynwood
Monrovia
Montclair
Montebello
Monterey Park
Morgan Hill
Norwalk
Oceanside
Palmdale
Palm Springs
Paramount
Pico Rivera
Planada Community Services District
Pomona
Rancho Cucamonga
Rialto
Riverside
Rohnert Park
Salinas
San Bernardino
San Bernardino County
San Diego County
San Fernando
San Juan Capistrano
San Marcos
San Mateo County
Santa Clarita
Santa Rosa
Signal Hill
South Gate
Union City
Vernon
Visalia
Vista
West Covina
Whittier
Yucaipa

BOARD MEMBERS

OFFICERS
Sylvia Ballin, President
San Fernando
Jose Solache, Vice President/Treasurer
Lynwood
DIRECTORS
Ricardo Pacheco, Baldwin Park
Aja Brownf, Compton
Marilyn Sanabria, Huntington Park
Maria Davila, South Gate
Leticia Lopez, Vernon

Secretary/Executive Director
Debbie Smith

General Legal Counsel
Scott Campbell
Best Best & Krieger, LLP



INDEPENDENT CITIES FINANCE AUTHORITY

Annual Meeting of the Board of Directors
Annual Meeting of the Executive Committee

Wednesday, June 24, 2020
12:00 p.m.

TELEPHONIC BOARD MEETING

Call In Information:

Call In Number: 1-712-775-7031

Participant Number: 236-977-467#

NOTE: In accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, members of the Board of Directors and staff will be participating in this meeting remotely from multiple locations. Members of the public are encouraged to use the call-in number, which will allow them to fully participate in the meeting without having to be present in person. If members of the public have any problems using the call-in number during the meeting, please contact the ICFA office at (877) 906-0941.

STAFF REPORTS AND OTHER WRITTEN DOCUMENTS RELATED TO ITEMS ON THIS AGENDA CAN BE OBTAINED FROM THE INDEPENDENT CITIES FINANCE AUTHORITY BY CALLING (877) 906-0941.

FOR YOUR INFORMATION: The Authority Board/Executive Committee will hear from the public on any items on the agenda or an item of interest to the Board/Executive Committee that is not on the Agenda. These items may be referred for administrative action or scheduled on a future agenda. Comments are to be limited to three minutes for each speaker, unless extended by the Authority Board. Each speaker will have an opportunity to speak on any Agenda item. You have the opportunity to address the Authority Board at the following times:

- A. AGENDA ITEMS: at the time the Authority Board considers the Agenda item or during Public Comment, and
- B. NON-AGENDA ITEMS: during Public Comment – comments will be received for a maximum 30-minute period; any additional requests will be heard following the completion of the Agenda, and
- C. PUBLIC HEARINGS: at the time of the Public Hearing

I. CALL TO ORDER. (Page 4)

II. ROLL CALL. *(Page 4)*

City of Baldwin Park
City of Compton
City of Huntington Park
City of Lynwood

City of San Fernando
City of South Gate
City of Vernon

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA. *(Page 4)*

IV. PUBLIC COMMENTS. At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Authority. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC § 54950 et seq.), no action or discussion may take place by the Board of any items not on the posted agenda. The Board may respond to statements made or questions asked and may direct staff to report back on the topic at a future meeting. *(Pages 4-5)*

V. NEW BUSINESS.

- A. Approval Of Minutes Of The December 4, 2019 Board Of Directors Meeting. *(Pages 5 & 11-14).*
RECOMMEND APPROVAL
- B. Approval/Adoption Of Resolution No. 2020-1 (A Resolution Of The Board Of Directors/Executive Committee Of The Independent Cities Finance Authority Authorizing And Directing The Execution And Delivery Of A Joint Exercise Of Powers Agreement Necessary For The Creation Of The California Municipal Public Financing Authority And Providing For Other Matters Properly Related Thereto). *(Pages 5-7 & 15-35)*
RECOMMEND APPROVAL/ADOPTION
- C. Approval/Adoption Of A Budget For The 2020-21 Fiscal Year And A Statement Of Investment Policy For A Two Year Period. *(Pages 7 & 36-40)*
RECOMMEND APPROVAL/ADOPTION
- D. Approval Of Financial Accounting For The Period November 1, 2019 to May 31, 2020. *(Pages 8-9)*
RECOMMEND APPROVAL

VI. COMMENTS FROM BOARD MEMBERS. *(Page 10)*

VII. MATTERS FROM STAFF. *(Page 10)*

VIII. ADJOURNMENT. *(Page 10)*

The public shall have an opportunity to comment on any item as each item is considered by the Board/Executive Committee and prior to action being taken. Agenda reports are available at the Independent Cities Finance Authority office upon request by calling (877) 906-0941.

NOTICE: New items will not be considered after 1:00 p.m. unless the Board of Directors/Executive Committee votes to extend the time limit. Any items on the agenda that are not completed will be forwarded to the next regular Board of Directors/Executive Committee meeting.

IN COMPLIANCE WITH THE AMERICAN DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE INDEPENDENT CITIES FINANCE AUTHORITY AT (877) 906-0941. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE INDEPENDENT CITIES FINANCE AUTHORITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

NOTE TO CITY CLERKS:

Please post this Meeting Notice just as you would a City Council agenda.

INDEPENDENT CITIES FINANCE AUTHORITY
ANNUAL MEETING OF THE BOARD OF DIRECTORS
ANNUAL MEETING OF THE EXECUTIVE COMMITTEE

June 24, 2020 – 12:00 p.m.

AGENDA SUMMARY

I. CALL TO ORDER.

II. ROLL CALL.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

A roll call of the following member cities will be conducted:

City of Baldwin Park
City of Compton
City of Huntington Park
City of Lynwood

City of San Fernando
City of South Gate
City of Vernon

C. RECOMMENDATION:

None.

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

IV. PUBLIC COMMENT.

A. MATERIAL ENCLOSED:

None.

AGENDA SUMMARY

June 24, 2020

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B. COMMENTS:

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Authority. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC § 54950 et seq.), no action or discussion may take place by the Board of any items not on the posted agenda. The Board may respond to statements made or questions asked and may direct staff to report back on the topic at a future meeting.

C. RECOMMENDATION:

None.

V. NEW BUSINESS.

A. APPROVAL OF MINUTES OF THE DECEMBER 4, 2019 BOARD OF DIRECTORS MEETING.

A. MATERIAL ENCLOSED: (PAGES 11-14)

Minutes of the December 4, 2019 Board of Directors meeting.

B. COMMENTS:

None.

C. RECOMMENDATION:

Approve the minutes of the December 4, 2019 Board of Directors meeting.

B. APPROVAL/ADOPTION OF RESOLUTION NO. 2020-1 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A JOINT EXERCISE OF POWERS AGREEMENT NECESSARY FOR THE CREATION OF THE CALIFORNIA MUNICIPAL PUBLIC FINANCING AUTHORITY AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO).

A. MATERIAL ENCLOSED: (PAGES 15-35)

1. Resolution No. 2020-1 (A Resolution Of The Board Of Directors/Executive Committee Of The Independent Cities Finance Authority Authorizing And Directing The Execution And Delivery Of A Joint Exercise Of Powers Agreement Necessary For The Creation Of The California Municipal Public Financing Authority And Providing For Other Matters Properly Related Thereto). (Pages 15-19)
2. Joint Exercise Of Powers Agreement Creating The California Municipal Public Financing Authority. (Pages 20-35)

AGENDA SUMMARY

June 24, 2020

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B. COMMENTS:

By way of introduction, the Byron-Bethany Irrigation District is a multi-county special district serving parts of Alameda, Contra Costa, and San Joaquin Counties across 47 square miles and 30,000 acres. The District serves 160 agricultural customers and more than 20,000 residents. The District also manages the West Side Irrigation District, which serves agricultural customers and provides raw water to the City of Tracy. In addition, the District provides management services and operations & maintenance support to the Byron Sanitation District, which provides wastewater and sewer services to Byron residents.

The Byron-Bethany Irrigation District is in need of innovative, low cost finance programs to address fiscal needs and must use a nonprofit corporation for the purpose of offering low-cost, tax-exempt refinancing options. It has been determined that the utilization of a joint exercise of powers agency will provide enhanced savings over other legal structures available to the District and will, therefore, be most economically beneficial to the District and its constituents. As such, the District has researched various potential agencies that might be willing to create a District-controlled Joint Powers Authority (JPA), and has determined that the Independent Cities Finance Authority provides the best available option to create a new JPA, which will be called the California Municipal Public Financing Authority. As you are aware, California law (Government Code Section 6500 et seq.) allows two or more local agencies to create a Joint Powers Authority.

The purpose for the creation of the Authority is for the District, through the Authority, to jointly exercise the powers set forth in both the JPA Law and the Bond Pooling Act, including, but not limited to, (i) the purchase and sale, at public or negotiated sale, certain obligations issued by members of the Authority, or (ii) make loans, secured or unsecured, to local agencies, or (iii) sell, at public or negotiated sale, obligations, or (iv) issue and sell, at public or negotiated sale, bonds secured in whole or in part by such obligations. Reference is hereby made to both the JPA Law and the Bond Pooling Act for a complete recital of the powers of the Authority the exercise of which is the purpose of the Authority. The Authority is authorized, in its own name, to do all acts necessary to exercise such powers in order to fulfill the purposes of the JPA Agreement.

The California Municipal Public Financing Authority will offer low-cost, tax-exempt refinancing options for each water contractor with an eligible Bureau of Reclamation Water Service Contract under the "Water Infrastructure Improvements for the Nation Act (WIIN)." The Authority will provide a turnkey resource for public agencies to refinance WIIN contracts, restructure pension plan liabilities, and otherwise access cost effective capital.

AGENDA SUMMARY

June 24, 2020

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ICFA staff is recommending that the Board work with the District to create a new JPA that will be controlled solely by the Board of Directors of the District. As noted above, the new JPA will be called the California Municipal Public Financing Authority. The Byron-Bethany Irrigation District approved the creation of the new JPA at its Board meeting of June 16, 2020.

Attached is the form of the proposed Joint Exercise of Powers Agreement creating the new California Municipal Public Financing Authority. The JPA Agreement expressly provides that the Authority will be a public entity separate and apart from the parties to the JPA Agreement and that the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of either the District or ICFA.

The District has agreed to pay ICFA a one-time transaction fee of \$6,500, which includes ICFA staff and legal costs.

C. RECOMMENDATION:

1. Approve/adopt Resolution No. 2020-1 authorizing and directing the execution of a Joint Exercise Of Powers Agreement necessary for the creation of the California Municipal Public Financing Authority; and
2. Authorize General Legal Counsel to work with respective parties to finalize necessary documents; and
3. Authorize President Ballin and staff to execute to execute any and all necessary documents relating thereto.

C. **APPROVAL/ADOPTION OF A BUDGET FOR THE 2020-21 FISCAL YEAR AND A STATEMENT OF INVESTMENT POLICY FOR A TWO YEAR PERIOD.**

A. MATERIAL ENCLOSED: (PAGES 36-40)

1. Budget For The 2020-21 FY. (Pages 36-37)
2. Statement Of Investment Policy For The Period 2020-22 FY. (Pages 38-40)

B. COMMENTS:

Staff has prepared a budget that covers one fiscal year period (2020-21). The proposed budget represents the best estimates of staff regarding future financings.

In addition, the Board should adopt the Statement of Investment Policy that has been adopted every two years for many years, as required by law. It requires that all Authority funds be deposited in a bank and/or in the State of California Local Agency Investment Fund (LAIF), unless directed otherwise by the Board.

C. RECOMMENDATION:

1. Approve/adopt the 2020-21 FY budget.
2. Approve/adopt the Statement of Investment Policy.

AGENDA SUMMARY

June 24, 2020

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D. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD NOVEMBER 1, 2019 TO MAY 31, 2020.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Receipts for the period November 1, 2019 to May 31, 2020 were as follows:

MASH fee	267.12
Alliance Remarketing (administrative fee)	2,000.00
Castle monthly fees (7 months)	3,470.81
Yucaipa monthly fees (7 months)	3,537.94
Vista de Santa Barbara monthly fees (7 months)	4,917.50
Hacienda Valley monthly fees (7 months)	5,677.10
Augusta Communities (annual loan payment)	6,012.92
Palm Springs monthly fees (7 months)	6,218.31
Zions Bank (charter school quarterly fees)	7,316.22
Palomar East monthly fees (7 months)	7,435.40
Santa Rosa monthly fees (7 months)	7,833.00
Westlake/Millbrook monthly fees (7 months)	9,795.01
Palomar West monthly fees (7 months)	10,749.98
Rancho Vallecitos monthly fees (7 months)	11,326.00
Lamplighter monthly fees (5 months)	11,950.00
Rohnert Park monthly fees months)	12,296.65
Pillar Ridge monthly fees (7 months)	16,226.00
The Woods monthly fees (7 months)	17,704.19
San Juan monthly fees (7 months)	20,286.00
Augusta Communities (quarterly fees)	22,223.43
TOTAL RECEIPTS	\$187,243.58

AGENDA SUMMARY

June 24, 2020

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Expenditures for the period November 1, 2019 to May 31, 2020 were as follows:

St. John the Baptist School (charitable contribution)	7,500.00
Vasquez & Company LLP (audit fees)	11,000.00
Smith, Alvarez & Castillo (staff services)	18,750.00
Staples (copy fees)	25.75
Sylvia Ballin (Board meeting stipend)	150.00
Leticia Lopez (Board meeting stipend)	150.00
Ricardo Pacheco (Board meeting stipend)	150.00
Marisela Santana (Board meeting stipend)	150.00
Smith, Alvarez & Castillo (staff services)	18,750.00
Best Best & Krieger (legal fees)	10,068.55
Vasquez & Company LLP (audit fees)	4,750.00
FedEx (shipping fees)	27.35
Smith, Alvarez & Castillo (staff services)	18,750.00
Tripepi Smith (public relations)	523.75
US Bank (DPA fes)	500.00
County of Los Angeles (annual filing fees)	76.69
Smith, Alvarez & Castillo (staff services)	18,750.00
UPS Store (notary & shipping fees)	100.32
City of San Fernando (charitable contribution)	7,500.00
Smith, Alvarez & Castillo (staff services)	18,750.00
California Contract Cities Association (seminar registration fee)	625.00
California Contract Cities Association (sponsorship)	2,000.00
Tripepi Smith (public relations)	542.50
Smith, Alvarez & Castillo (staff services)	18,750.00
Best Best & Krieger LLP (legal fees)	5,736.00
Tripepi Smith (public relations)	925.48
Smith, Alvarez & Castillo (staff services)	18,750.00
UPS Store (notary & shipping fees)	202.78
TOTAL EXPENDITURES	\$183,954.17

ICFA account balances as of May 31, 2020 are as follows:

Bank of America - \$ 73,651.80
LAIF - \$366,285.89

It should also be noted that ICFA has one outstanding loan to Augusta Communities in the amount of \$90,000, with an outstanding balance of \$72,699.61

C. RECOMMENDATION:

Approve the financial accounting for the period November 1, 2019 to May 31, 2020.

AGENDA SUMMARY

June 24, 2020

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VI. COMMENTS FROM BOARD MEMBERS.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None

VII. MATTERS FROM STAFF.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VIII. ADJOURNMENT.

INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS ANNUAL MEETING

December 4, 2019

MINUTES

I. CALL TO ORDER.

The regular meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order in the City of San Fernando on December 4, 2019 at 12:04 p.m. by President Sylvia Ballin.

II. ROLL CALL.

Members Of The Executive Committee/Board of Directors Present (Voting)

Sylvia Ballin, President	San Fernando
Leticia Lopez	Vernon
Ricardo Pacheco	Baldwin Park
Marisela Santana	Lynwood

Alternate Members Of The Board of Directors Present

None

The cities of Compton, Huntington Park and South Gate were not represented by a voting member.

Guests Present

Brian Holman	Musick, Peeler & Garrett LLP
David Lauck	AllianceCollege-Ready Public Schools
Ryan Warburton	Gilmore Bell
Wes Wolf	Wolf & Company, Inc.

Staff Present

Ruben Duran	Best Best & Krieger LLP
Debbie Smith	Smith, Alvarez & Castillo/ICFA

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

There were no amendments or adjustments to the agenda.

IV. PUBLIC COMMENTS.

There were no members of the public who wished to speak.

V. NEW BUSINESS.

A. APPROVAL OF THE MINUTES OF THE OCTOBER 15, 2019 BOARD OF DIRECTORS MEETING.

It was moved by Ricardo Pacheco, seconded by Marisela Santana, and carried by the following roll call vote to approve the minutes of the October 15, 2019 Board of Directors meeting:

AYES: Sylvia Ballin (San Fernando), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marisela Santana (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: City of Compton, City of Huntington Park, City of South Gate

B. APPROVAL/ADOPTION OF RESOLUTION NO. 2019-4 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE EXECUTION OF THE FIRST AMENDMENT TO LOAN AGREEMENT, FIRST AMENDMENTS TO LEASES AND AUTHORIZING CERTAIN OTHER ACTIONS RELATED TO THE INDEPENDENT CITIES FINANCE AUTHORITY CHARTER SCHOOL REVENUE BONDS (ALLIANCE BROADWAY SCHOOL PROJECT) SERIES 2011 (TAXABLE QUALIFIED SCHOOL CONSTRUCTION BONDS - DIRECT SUBSIDY) .

Staff reported generally as follows:

Back in 2011, ICFA issued approximately \$13 million in charter school revenue bonds to Alliance Broadway School Project for the construction of charter schools in Los Angeles, and in 2018 the ICFA Board approved the remarketing of the bonds. In order to comply with changes in California law (SB 126), Alliance is reorganizing all of their schools into a single California nonprofit public benefit corporation to be known as Alliance College-Ready Public Schools. To complete this reorganization (or merger), it is necessary for ICFA to approve amendments to the Loan Agreement and to two leases.

David Lauck of Alliance College-Ready Public Schools noted that there are twenty-five schools involved in the merger. He also noted that there will be no material impact on the operations of the schools or the bonds themselves.

President Ballin stated her support for the new name and indicated it will be a great opportunity for all students.

President Ballin asked if there were any further questions or comments. There were none.

It was moved by Ricardo Pacheco, seconded by Leticia Lopez, and carried by the following roll call vote to approve/adopt Resolution No. 2019-4 approving the execution of the amendments and taking of other related actions in connection with the merger, and to authorize President Ballin and staff to execute all necessary documents relating thereto:

AYES: Sylvia Ballin (San Fernando), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marisela Santana (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: City of Compton, City of Huntington Park, City of South Gate

C. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD SEPTEMBER 1, 2019 TO OCTOBER 31, 2019.

Staff provided a report on the accounting for the period noted.

President Ballin asked if there were any questions or comments. There were none.

It was moved by Ricardo Pacheco, seconded by Leticia Lopez, and unanimously carried by the following roll call vote to approve the financial accounting for the period September 1, 2019 to October 31, 2019:

AYES: Sylvia Ballin (San Fernando), Leticia Lopez (Vernon), Ricardo Pacheco (Baldwin Park), Marisela Santana (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: City of Compton, City of Huntington Park, City of South Gate

VI. COMMENTS FROM BOARD MEMBERS.

President Ballin thanked everyone for their participation in the meeting.

VIII. ADJOURNMENT.

There being no further business to be discussed, the meeting was adjourned at 12:12 p.m.

Respectfully submitted,

_____/s/
Deborah J. Smith
Executive Director

RESOLUTION NO. 2020-1

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF A JOINT EXERCISE OF POWERS AGREEMENT NECESSARY FOR THE CREATION OF THE CALIFORNIA MUNICIPAL PUBLIC FINANCING AUTHORITY AND PROVIDING FOR OTHER MATTERS PROPERLY RELATED THERETO

WHEREAS, the Independent Cities Finance Authority is a joint powers authority duly organized and existing under the laws of the State of California (the "ICFA"); and

WHEREAS, ICFA, upon authorization of its Board of Directors (the "Board"), may, pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "JPA Law"), enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them or conferred to them by the JPA Law; and

WHEREAS, ICFA and the other Charter Members (as defined in the JPA Agreement referenced below) intend to enter into a joint exercise of powers agreement pursuant to the JPA Law (the "JPA Agreement") pursuant to which the California Municipal Public Financing Authority (the "Authority") will be created to, among other things, make loans and purchase and sell bonds of local agencies, at public or private sale as authorized by the Marks-Roos Local Bond Pooling Act of 1985 constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Pooling Act"); and

WHEREAS, under California law and the JPA Agreement, the Authority will be a public entity separate and apart from the parties to the JPA Agreement and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the ICFA or any other Member or any representative of either the ICFA or any other Member; and

WHEREAS, this Board proposes to authorize the execution of the above-referenced JPA Agreement, in substantially the form presented to this Board and attached hereto as Exhibit A; and

WHEREAS, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and ICFA is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES FINANCE AUTHORITY AS FOLLOWS:

SECTION 1. Declaration of Board. This Board hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of ICFA, and that

the statements, findings and determinations of ICFA set forth in the preambles above and of the JPA Agreement approved herein are true and correct.

SECTION 2. JPA Agreement. The form of JPA Agreement presented at this meeting and on file with the Secretary is hereby approved. The President, Vice President and Executive Director, each acting alone, are hereby authorized and directed to execute the final JPA Agreement, for and in the name of and on behalf of ICFA, with such changes as the officer executing the same may require or approve, with such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. Purpose of the JPA Agreement. The purpose of the JPA Agreement and the creation of the Authority is for ICFA and all other Members, through the Authority, to jointly exercise the powers set forth in both the JPA Law and the Bond Pooling Act, including, but not limited to, (i) the purchase and sale, at public or negotiated sale, certain obligations issued by members of the Authority, or (ii) make loans, secured or unsecured, to local agencies, or (iii) sell, at public or negotiated sale, obligations, or (iv) issue and sell, at public or negotiated sale, bonds secured in whole or in part by such obligations. Reference is hereby made to both the JPA Law and the Bond Pooling Act for a complete recital of the powers of the Authority the exercise of which is the purpose of the Authority. The Authority is authorized, in its own name, to do all acts necessary to exercise such powers in order to fulfill the purposes of the JPA Agreement.

SECTION 4. Determination of Significant Public Benefits. ICFA has determined and hereby declares that the creation of the Authority for the express purpose of providing a pool of funds from which the Members may draw to finance and/or refinance local public capital improvements offers significant public benefits.

SECTION 5. Attestation and Seal. The Secretary is hereby authorized and directed to attest the signature of the authorized signatory, and to affix and attest the seal of ICFA, as may be required or appropriate in connection with the execution and delivery of the JPA Agreement.

SECTION 6. Further Actions. The President, Vice President, Executive Director and Secretary, and any other Authority officer or official authorized by resolution of the Board, is hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this resolution and the JPA Agreement. Such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

SECTION 7. Effective Date. This resolution shall take effect immediately upon its passage and adoption.

* * * * *

**PASSED, APPROVED, AND ADOPTED BY THE INDEPENDENT CITIES FINANCE
AUTHORITY THIS 24TH DAY OF JUNE, 2020.**

President

Secretary

I, Deborah Smith, Secretary and Executive Director of the Independent Cities Finance Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said Authority at the meeting of the Board of Directors/Executive Committee of said Authority held on the 24th day of June, 2020, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deborah Smith, Secretary and Executive Director of the
Independent Cities Finance Authority

EXHIBIT A

FORM OF JOINT EXERCISE OF POWERS AGREEMENT

JOINT EXERCISE OF POWERS AGREEMENT

Creating the

CALIFORNIA MUNICIPAL PUBLIC FINANCING AUTHORITY

This Joint Powers Agreement (the “Agreement”), dated as of June __, 2020, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the “Members” and those parties initially executing this Agreement are referred to as the “Charter Members”).

PREAMBLE; DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the “Act”) authorizes two or more public agencies to create a joint exercise of powers entity which has the power to exercise any powers common to the contracting parties and to exercise additional powers granted to it under the Act. This Agreement creates such an agency, which shall be known as the California Municipal Public Financing Authority (the “Authority”) for the purposes and to exercise the powers described herein.

B. Each of the Members is a “public agency” as that term is defined in Section 6500 of the Act.

C. Each Member is also empowered by law to acquire, construct, improve, operate and dispose of real property for a public purpose.

D. The Act authorizes the Members to create the Authority to, among other things, exercise any powers common to the Members, including but not limited to acquiring, constructing, improving, operating, leasing and disposing of real property for a public purpose, all as specified in this Agreement, and to exercise the additional powers granted to it in the Act and any other applicable provisions of the laws of the State of California.

E. The Authority is established pursuant to this Agreement and the Act and is empowered to issue or execute non-recourse debt, which may include bonds, notes, commercial paper or any other evidences of indebtedness, leases, installment sale or other financing agreements or certificates of participation therein (herein “Obligations”), and to otherwise undertake financing programs under the Act or other applicable provisions of the laws of the State of California to accomplish its public purposes.

F. The Members have determined to specifically authorize a public entity authorized pursuant to the Act to issue non-recourse Obligations pursuant to the Act or other applicable provisions of the laws of the State of California.

G. It is the desire of the Members to use the Authority to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital improvement projects or working capital projects, purchase, lease or acquisition of property or equipment, receivables, commodities, bonds, other revenue streams or assets of any kind, liability or other insurance, or retirement programs, or facilitating Members use of existing or new financial instruments and mechanisms.

H. TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

“*Act*” means Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended.

“*Agreement*” means this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

“*Article 1*” means Article 1 of the Joint Powers Act, commencing with Section 6500.

“*Article 2*” means Article 2 of the Joint Powers Act, commencing with Section 6540.

“*Article 4*” means Article 4 of the Joint Powers Act, commencing with Section 6584.

“*Authority*” means the California Municipal Public Financing Authority, a joint powers authority duly organized and validly existing pursuant to the Constitution and laws of the State.

“*Board*” or “Board of Directors” means the governing board of the Authority.

“*Bond Counsel*” means Weist Law LLP, or any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code.

“*Brown Act*” means the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereinafter enacted.

“*Chair*” means the Chair elected by the Board pursuant to Section 4(b).

“*Charter Members*” means those parties initially executing this Agreement along with any additional Members electing to become Charter Members pursuant to Section 12.

“*Cost*” as applied to a Facility or portion thereof, means all or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a Facility, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings, or structures may be moved; the cost of all machinery and equipment; finance charges; interest prior to, during, and for a period after, completion of that construction, as determined by the Authority; provisions for Working Capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; the cost of architectural, engineering, financial and legal

services, plans, specifications, estimates, administrative expenses, and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction or acquisition or financing of any Facility.

“*Director*” means each member of the Board.

“*Facilities*” means real and personal property that may be financed or refinanced pursuant to the Act, including but not limited to, land, buildings, improvements, facilities and equipment.

“*Fiscal Year*” unless and until changed by resolution of the Board, the fiscal year of the Authority shall mean the period from July 1 of each year to and including the following June 30.

“*Include*,” “*Includes*” or “*Including*” means including without limitation.

“*Indenture*” means each indenture, trust agreement, financing agreement, loan agreement, fiscal agent agreement, installment sale agreement, or other such instrument pursuant to which Obligations are issued, as further defined in Section 4(d).

“*Legislative Body*” means the legislative or governing body of a Local Agency.

“*Local Agency*” means a Member or an agency or subdivision of that Member or any other city, county, city and county or special district of the State.

“*Manager*” means the Manager of the Authority appointed by the Board pursuant to Section 4(d).

“*Member*” or “*Members*” means the members of the Authority from time to time as may be modified in accordance with this Agreement. As of the date of this Agreement, the Members consist of the Charter Members.

“*Municipal Advisor*” means a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

“*Non-Charter Members*” means all Members other than Charter Members.

“*Obligations*” means bonds, notes, leases, commercial paper, floating rate, and variable maturity securities, and any other evidence of indebtedness (including certificates of participation, lease-purchase agreements, installment sale agreements or loan agreements) of the Authority authorized and issued pursuant to the Act.

“*Pension Contract Liabilities*” means amounts paid or required to be paid by a Local Agency, including unfunded accrued actuarial liability, other post-employment benefits and normal cost payment obligations, under its contractually binding pension plan.

“*Purchase Agreement*” means a contractual agreement executed between the Authority and a Local Agency whereby the Authority agrees to purchase Obligations of the Local Agency. In circumstances which the Authority is exercising its powers described in Section 10 hereof, the private purchaser may execute and be a party to such contractual agreement.

“*Revenue*” means (i) all income and receipts of the Authority from a Purchase Agreement, including the purchase price of Obligations of a Local Agency sold by the Authority pursuant to Section 10, hereof, (ii) all income and receipts of the Authority derived from any loan agreement, lease agreement, installment sale agreements, and other revenue producing agreements entered into by the Authority, (iii) all income and receipts derived from projects financed or processed by or through the Authority (iv) grants and other sources of income howsoever derived, and (v) all interest or other income from any investment of any money in any associated fund or account.

“*State*” means the State of California.

“*Treasurer*” means the Treasurer of the Authority, appointed by the Board pursuant to Section 4(d).

“*Vice-Chair*” means the Vice-Chair elected by the Board pursuant to Section 4(d).

“*Working Capital*” means money to be used by, or on behalf of, a Local Agency for any purpose for which a Local Agency may borrow money pursuant to California Government Code Section 53852.

Section 2. Purpose. This Agreement is made pursuant to the Act for the purpose of establishing a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Act or any other applicable law, including, but not limited to, the issuance of Obligations for any purpose or activity permitted under the Act or any other law. Such purpose will be accomplished and said power exercised in the manner set forth herein.

Section 3. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated in writing by all of the Members, as evidenced by a resolution adopted by the governing board of each respective Member; *provided, however*, that in no event shall this Agreement terminate while any Obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease or other instrument pursuant to which such Obligations are issued or incurred.

Section 4. The Authority.

(a) Creation of the Authority. There is hereby created pursuant to the Act a public entity to be known as the “California Municipal Public Financing Authority.” The Authority shall sometimes be referred to as, or do business as, “CalMuni PFA.” As provided in the Act, the Authority shall be a public entity separate and apart from the Members. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any Members.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State in the manner set forth in sections 6503.5 of the Act, as amended.

(b) Governing Board. The Authority shall be administered by the Board of Directors (the “Board” or the “Directors” and each a “Director”) which shall initially consist of the General Manager of Byron Bethany Irrigation District, the City Manager of the City of Lakeport, the Finance Director of the City of Selma, the Fire Chief of the Little Lakes Fire Protection District and the City Manager of the City of Mount Shasta. The Board shall also appoint one or two alternate directors who shall have the authority to attend, participate in and vote at any meeting of the Board when a Director is absent. This

designation of the Board of Directors shall remain unchanged, unless and until such composition is changed by a four-fifths vote of the Board or as provided in the Authority bylaws (the “Bylaws”), or by resolution of the Board. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

Notwithstanding the preceding paragraph, the Board may by resolution or bylaws provide for changes in the qualifications, composition and number of Directors, the appointment of Directors, successors, their respective terms of office and any other provisions relating to the qualification and office of the Directors, including provision for alternate Directors (in which case all references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director).

The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The Board shall be vested with all of the rights, powers, duties, privileges and immunities of the Authority.

Directors shall be entitled to receive compensation as specified in the Bylaws. Directors are also entitled to reimbursement for any expenses actually incurred in connection with serving as a Director if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

(c) Meetings of Board.

(1) *Time and Place.* The Authority shall hold regular meetings on the first and third Thursdays of each month, unless otherwise provided in the By-Laws of the Authority adopted by the Board (the “By-Laws”); provided, however, that at least one regular meeting shall be held each year. The hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

In the event an agenda for a regular meeting of the Authority is not posted timely in accordance with the provisions of the Brown Act, then such failure to post shall be deemed to be a determination by the Chair that no items required discussion and, therefore, that the regular meeting has been cancelled without any further action of the any Member, the Board or any officer of the Authority. The Board may hold a special meeting at any time. Furthermore, the Board may, by resolution adopted at a regular or special meeting, declare that regular meetings occur at a date or dates, and at times, different from that set forth in this Section 4(c). In accordance with Section 6592.1 of the Brown Act, any resolution authorizing Obligations or any issuance of Obligations or accepting the benefit of any Obligations or the proceeds of Obligations shall be adopted only during a regular meeting.

(2) *Legal Notice.* All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Brown Act, or any successor legislation hereafter enacted.

(3) Parliamentary Procedure. The presiding officer at the meeting shall determine the rules of conduct. The presiding officer may be guided by the rules of parliamentary procedure set forth in Robert's Rules of Order, but failure to follow Robert's Rules of Order shall not affect the validity of any action or motion duly taken or adopted by the Board at any lawfully held meeting.

(4) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall cause a copy of the minutes to be forwarded to each Director for review and approval at the next regular meeting.

(5) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time. The affirmative votes of at least a majority of the directors of the Board present at any meeting at which a quorum is present shall be required to take any action by the Board.

(d) Officers; Manager; Duties; Bonds; Immunities.

The officers of the Authority shall be the Chair, Vice-Chair, Manager, Secretary and Treasurer.

The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary from among Directors to serve until such officer is reelected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the "Treasurer") pursuant to Section 6505.6 of the Act to serve until a successor is appointed by the Board.

Said officers shall perform such functions as shall be customary in the exercise of such positions, and as may be more specifically provided by the Board from time to time. California Municipal Advisor LLC shall serve as the Authority's Manager and Municipal Advisor and shall also have charge of the day-to-day administration of the Authority and shall execute the directives of the Board. The Board shall approve, and the Chair or Vice-Chair shall sign all contracts on behalf of the Authority. The Secretary shall have charge of the records of the Authority (to the extent not held by the Treasurer) and shall be responsible for recording the minutes of all meetings of the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement, fiscal agent agreement, loan agreement or other instrument or proceeding authorizing or securing Obligations (each such resolution, indenture, trust agreement, fiscal agent agreement, loan agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Board, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, Bond Counsel, consultants and accountants.

In accordance with Section 6513 of the Act, all of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

The Members hereby confirm their intent and agree that, as provided herein and in the Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Members.

Section 5. Powers. The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Act, for the purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property, improvements, commodities, leases, contracts, receivables, bonds or other revenue streams or assets of any kind; to exercise the power of condemnation; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to establish and collect fees; to form public benefit nonprofit corporations or other affiliate entities to accomplish any of its Purposes; to make grants, loans or provide other financial assistance to governmental, nonprofit and for profit organizations to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes. The boundaries of the Authority shall encompass the boundaries of all the Members and the powers of the Authority may be exercised anywhere within those boundaries or to the extent permitted by the laws of the State of California, including, but not limited to the Act, outside of those boundaries, which may be outside of the State of California, provided that the power of condemnation may only be exercised within the jurisdictional boundaries of the Members within the State of California.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Obligations, and pledge any property, contracts or revenues as security to the extent permitted under the Act, or any other applicable provision of law.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which Byron Bethany Irrigation District could exercise such powers and perform such duties.

The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. Unless and until changed by resolution of the Board, the Fiscal Year of the Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to June 30, 2021.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the Members and the Authority at the time of making such advance as provided by section 6512.1 of the Act.

It is mutually understood and agreed that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may elect to do so.

Section 10. Obligations.

(a) **Authority to Issue Obligations.** When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue or otherwise transact Obligations for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement, including but not limited to acquiring, constructing, improving, operating and disposing of Facilities.

(b) **Limited Obligations.** The Obligations, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority. The Obligations shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable Indenture(s). The Obligations shall not constitute a debt, liability or obligation of the State or any public agency thereof, including the Members, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the Members, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Obligations nor shall the State or any public

agency or instrumentality thereof, including the Members, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

No covenant or agreement contained in any Obligation or Indenture shall be deemed to be a covenant or agreement of any Director, or any officer, agent, consultant or employee of the Authority or any Member, in his or her individual capacity and no Director or officer of the Authority executing an Obligation shall be liable personally on such Obligation or be subject to any personal liability or accountability by reason of the issuance of such Obligation.

(c) Purchase Agreements with Local Agencies; Exemptions from Public Sales Requirements. The Authority may enter into a Purchase Agreement with one or more Local Agencies. The Purchase Agreement shall specify the maximum rate of interest, the cost of issuance, the amount of required reserve, and the procedure to be used in case of default.

Local Agencies may sell their Obligations to the Authority on a negotiated basis without compliance with any public sale requirement included in the statutes under which such Obligations are issued.

(d) Issuance of Obligations; Loans to Local Agencies. The Authority may, from time to time, issue its Obligations in the principal amount as the Authority determines necessary to provide sufficient funds for its purposes, which may include providing funds for Purchase Agreements, payments of interest on Obligations of the Authority, establishment of reserves to secure the Obligations, and other expenditures of the Authority incident to issuance of the Obligations.

The Authority may also issue Obligations for the purpose of financing or refinancing the construction of Facilities to be leased to, or sold by, Local Agencies. The Authority may also issue Obligations for the purpose of making loans to Local Agencies, to the extent those Local Agencies are authorized by law to borrow moneys, and the loan proceeds shall be used by the Local Agencies to pay for Facilities, Working Capital, Pension Contract Liabilities, or other such programs to the extent permitted under the Act, or any other applicable provision of law.

The Authority may assign or pledge all or any portion of its interests in mortgages, deeds of trust, indentures of mortgage or trust, or similar instruments, notes, and security interests in property, tangible or intangible, of a Local Agency to which the Authority has made loans, and the revenues therefrom, including payment or income from any interest owned or held by the Authority, for the benefit of the holders of Obligations issued to finance Facilities, Working Capital, Pension Contract Liabilities, or other such programs. The pledge of moneys, revenues, accounts, contract rights, or rights to payment of any kind made by or to the Authority pursuant to the authority granted in this part shall be valid and binding from the time the pledge is made for the benefit of the pledgees and successors thereto, against all parties irrespective of whether the parties have notice of the claim.

The Authority may lease the Facilities being financed to a Local Agency, upon terms and conditions that the Authority deems proper; charge and collect rents therefor; terminate any lease upon the failure of the lessee to comply with any of the obligations of the lease; include in any lease provisions that the lessee shall have options to renew the lease for a period or periods, and at rents as determined by the Authority; purchase or sell by an installment agreement or otherwise any or all of the Facilities; or, upon payment of all the indebtedness incurred by the Authority for the financing or refinancing of the Facilities, the Authority may convey any or all of the project to the lessee or lessees.

Section 11. Agreement not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the Members, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

Section 12. Additional Members/Withdrawal of Members. Qualifying public agencies may be added as parties to this Agreement and become Charter Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Charter Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

Qualifying public agencies may also be added as Non-Charter Members upon: (1) executing and delivering to the Authority a Non-Charter Membership Agreement in the form of and as further provided in the Bylaws, together with a copy of the resolution of the governing body of such public agency approving this Non-Charter Membership Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Non-Charter Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of the Non-Charter Membership Agreement and add such Local Agency to Exhibit A hereto as an amendment, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that at least one of the remaining Members shall be a Charter Member and no such withdrawal shall result in the dissolution of the Authority so long as any Obligations remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board, which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. Accounts and Reports.

(a) Accounting; Fiduciaries. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any Indenture (to the extent such duties are not assigned to a trustee of Obligations). The books and records of the Authority shall be open to inspection at all reasonable times by any of the Members and their representatives.

The Authority shall require that each Indenture provide that the trustee appointed thereunder shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section 13.

(b) Audits. The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant,

a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and each such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

(c) Quarterly Reports. In the event, but only in the event, that the Treasurer holds moneys for the account of the Authority or the Members, the Treasurer shall verify and report in writing at least quarterly to the Authority and the Members the amount of money so held, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Obligations to the extent that such trustee or other fiduciary provided regular reports covering such amounts).

Section 14. Funds. Subject to the provisions of any Indenture which may provide for a trustee or other fiduciary to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures developed under Sections 4(d) and 13, and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 15. Conflict of Interest Code. The Authority shall, by resolution, adopt a Conflict of Interest Code to the extent required by law.

Section 16. Notices. Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk or secretary of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 17. Reserved.

Section 18. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the initial Charter Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such initial Charter Member approving this Agreement and the execution and delivery hereof.

Section 19. Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 20. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 21. Amendment of Agreement. Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 22. Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of any Member, by resolution duly adopted by the city council or board of directors of such Member council/board, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 23. Obligations of Authority; Contracts for Separate Responsibility. Except as specifically provided herein, the debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of the Members. A Member or another Local Agency may separately contract for, or assume responsibility for, specific debts, liabilities or obligations of the Authority.

Section 24. Waiver of Personal Liability. No member, officer or employee of the Authority or any Member shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement. Without limiting the generality of the foregoing, no member, officer or employee of the Authority or of any Member shall be personally liable on any Obligations or be subject to any personal liability or accountability by reason of the issuance of Obligations pursuant to the Act and this Agreement. To the fullest extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

Section 25. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 26. Miscellaneous. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

[Signature Page to Follow on the Next Page]

IN WITNESS WHEREOF, the Byron Bethany Irrigation District has caused this Agreement to be executed and attested by its duly authorized representatives, as of the ____ day of June, 2020.

Charter Member:

BYRON BETHANY IRRIGATION DISTRICT

By _____
General Manager

Attest:

Secretary

IN WITNESS WHEREOF, the Independent Cities Finance Authority has caused this Agreement to be executed and attested by its duly authorized representatives, as of the ____ day of June, 2020.

Charter Member:

INDEPENDENT CITIES FINANCE AUTHORITY

By: _____
Executive Director

EXHIBIT A

MEMBERS OF THE CALIFORNIA MUNICIPAL PUBLIC FINANCING AUTHORITY

Charter Members

Byron Bethany Irrigation District

Independent Cities Finance Authority

Non-Charter Members

**INDEPENDENT CITIES FINANCE AUTHORITY
2020-21 FY BUDGET**

PURPOSE	2019-20 ESTIMATED	2019-20 ACTUAL	2020-21 ESTIMATED
<u>RECEIPTS</u>			
Manufactured home community financings and other financings (at issuance)	\$ 60,000	\$ 2,000	\$ 80,000
Manufactured home community financings and other financings (annual fees)	330,000	320,000	330,000
Interest	9,000	8,500	9,000
MASH Program	6,000	6,600	6,000
TOTAL RECEIPTS	\$405,000	\$337,100	\$425,000
<u>EXPENDITURES</u>			
Board Member Stipends & Expenses	\$ 2,000	\$ 1,400	\$ 3,000
Staff Services	225,000	225,000	228,600
Legal Services	45,000	40,000	50,000
Audit Services	30,000	20,500	30,000
Administrative/Miscellaneous	10,000	7,000	12,500
Community Outreach Program	30,000	15,000	30,000
Public Relations/Marketing	10,000	4,000	10,000
Sponsorships/Conferences	15,000	6,000	15,000
ICFA Educational Seminars	10,000	-0-	10,000
CalHome Mortgage Assistance	1,200	1,200	1,200
MASH Program	-0-	500	500
Program Reserves	25,800	16,500	34,200
TOTAL EXPENDITURES	\$405,000	\$337,100	\$425,000
BALANCE	-0-	-0-	-0-

**INDEPENDENT CITIES FINANCE AUTHORITY
BUDGET NOTES
2020-21 FY**

RECEIPTS:	
Manufactured home community financings and other financings in California (at issuance)	Estimated \$40,000,000 of financings; ICFA receives 20 basis points at issuance
Manufactured home community financings and other financings in California (annual fees)	ICFA receives 10-12 basis points on outstanding balance annually
Interest	ICFA receives interest on monies in LAIF, as well as loan to Augusta Communities
MASH Program	ICFA receives \$265+ counterparty fee per mobile home park
EXPENDITURES:	
Board Member Stipends	Elected Board Members receive \$150 per meeting
Staff Services	Executive Director receives \$228,600
Legal Fees	General Legal Counsel – Monthly retainer plus special work
Audit Services	Auditor/Accountant fees
Administrative/Miscellaneous	Insurance and miscellaneous expenses
Community Outreach Program	\$7,500 per eligible Board Member
Public Relations/Marketing	ICFA newsletters/email blasts, marketing efforts, website maintenance, assistance with seminars, etc.
Sponsorships/Conferences	Sponsorship fees and attendance at conferences
Educational Seminars	Educational conference(s) and webinars throughout the year
CalHome Mortgage Assistance	Administrative/oversight fees
MASH Program	Expenses related to MASH Program
Program Development/Reserves	Program reserves

AVAILABLE REVENUE:

ICFA will enter the 2020-21 FY with assets of approximately \$440,000 net. It should be noted that ICFA loaned Augusta Communities \$90,000 in 2013, with an outstanding balance of \$72,699.61.

INDEPENDENT CITIES FINANCE AUTHORITY

STATEMENT OF INVESTMENT POLICY

PURPOSE

This statement is intended to provide guidelines for the prudent management of the Independent Cities Finance Authority (ICFA) funds, and outline the policies and procedures for optimum efficiency of the Authority's investment program. The ultimate goal is to enhance the financial position of the Authority while protecting the safety of its funds.

OBJECTIVE

In accordance with California Government Code Section 53600.5, the primary objective of ICFA's investment program shall be to safeguard its principal. The secondary objective shall be to meet its liquidity needs. The third objective shall be to maximize the rate of return while safeguarding principal and maintaining the liquidity needs of ICFA.

PRUDENT PERSON STANDARD

ICFA's investments are governed by the prudent investor standard, as set forth in Section 53600.3 of the California Government Code, and restated below:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part to an overall investment strategy, a trustee is authorized to acquire investments as authorized by law.

INVESTMENT PROGRAM

- A. Investment of funds is governed by California Government Code Section 53600 et seq., a copy of which is attached to this policy as Exhibit A. Non-bond proceeds may be invested in the State of California's Local Agency Investment Fund (LAIF).
- B. Investment of bond proceeds is governed by the bond document, which supersedes the California Government Code in the case of bond proceeds. Bond proceeds shall be held by a trustee bank.
- C. The ultimate responsibility for the investment of ICFA's funds shall reside with the Board of Directors. The Executive Director is designated as the staff member responsible for the day-to-day investment of ICFA funds, provided the Board may retain professional investment advisers pursuant to Section D below.

- D. The Board of Directors may allocate its funds to professional investment advisers in a manner consistent with ICFA's objectives. Such advisers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such advisers must be registered under the Investment Advisers Act of 1940 and shall enter into a written agreement for this service with ICFA.
- E. Investment securities and cash shall be held in a bank custody account in the name of ICFA.
- F. All investments shall be made as "delivery vs. payment" transactions.
- G. All funds under the care and control of ICFA shall be invested in a local bank and the State of California Local Agency Investment Fund (LAIF) until such time as the Board of Directors or Executive Committee authorizes investment in other vehicles.

INVESTMENT STRATEGY

- A. To the extent possible, ICFA's investments shall be structured to attain a duration approximately equal to the duration of ICFA's liabilities, and to provide sufficient liquidity from maturing investments to meet ICFA's operating cash flow requirements.
- B. With the assistance of its investment adviser (if applicable) and other consultants, ICFA will select a segment of the fixed income market (an "index") with a duration approximately equal to the duration of ICFA's liabilities as its benchmark.
 - 1. The performance objective of the portfolio is to achieve a return over a market cycle equal to or better than the return on the benchmark.
 - 2. The duration of the fund shall be maintained within a range of $\pm 20\%$ of the duration of its benchmark index.
- C. Funds that are paid to ICFA for paying administrative expenses shall be invested by the Executive Director in a bank or in the State of California Local Agency Investment Fund (LAIF).

DIVERSIFICATION REQUIREMENTS

- A. ICFA is subject to all the diversification requirements described in California Government Code, Section 53600 et seq.
- B. With the exception of securities issued by the U.S. government and its agencies, no more than 5% of the portfolio may be invested in securities of any one issuer.
- C. No individual holding shall constitute more than 5% of the total debt outstanding of any issuer.

REPORTING AND REVIEWS

- A. In accordance with the reporting requirements of the California Government Code, the Executive Director will provide a quarterly report to the Board of Directors providing the following information:
 - 1. Breakdown of all securities, investments and moneys held by ICFA by investment type, issuer, date of maturity, par, dollar amount and percent of portfolio invested in each.
 - 2. A description of all the local agency's funds, investments or programs that are under the management of any outside party that is not a local agency. This report must also include market valuation of the portfolio and the source of the valuation.
 - 3. A statement of compliance with investment policy and a statement denoting the ability of ICFA to meet its expenditures for the next six months.
- B. The investment adviser (if applicable) shall ensure a duplicate confirmation is provided to ICFA by the securities broker.
- C. The investment adviser (if applicable) shall provide the ICFA Executive Director with a copy of its order memorandum on the date of each investment transaction.
- D. The Treasurer of ICFA shall receive copies of all monthly reports furnished by the investment manager (if applicable) and by the trustee.
- E. Portfolio reviews:
 - 1. The investment adviser (if applicable) shall meet at least annually with the Board of Directors to review account activity, economic conditions and investment performance.
 - 2. The investment adviser (if applicable) shall be available to meet quarterly with ICFA's Executive Director and Treasurer.

ANNUAL SUBMISSION OF INVESTMENT POLICY

The ICFA Executive Director shall render a statement of investment policy to the Board of Directors every two years. The Board shall consider the policy, with any changes, in a public meeting.