

## City Council Meeting Agenda Announcement

On March 12, 2020, Governor Newsom issued Executive Order No. N-25-20, which allows Council Members to attend City Council meetings telephonically. Please be advised that some, or all, Whittier City Council Members may attend this meeting telephonically.

Consistent with mandates of Executive Order No. N-29-20, a physical location from which members of the public may observe the meeting or offer public comment will not be made available. City Hall will not be open to the public for this meeting; however viewing and public comment options are provided below.

View live open session meeting remotely:

- On Cable, Channel 3
- Online: [www.cityofwhittier.org](http://www.cityofwhittier.org)

Public Comment/Question options:

- Email: [ccd@cityofwhittier.org](mailto:ccd@cityofwhittier.org)
- Voicemail: (562) 567-9856

Please submit email and voicemail public comments by at least 5:00 p.m. on the date of the meeting to ensure City Council members receive and have time to review them. All email and voicemails received by 5:00 p.m. are forwarded to City Council Members. Email and voicemails received after 5:00 p.m. but before the conclusion of the public comment portion will be entered into the record.

### **Americans with Disabilities Act**

Disability-related services are available to enable persons with a disability to participate in this meeting, consistent with the Federal Americans with Disabilities Act of 1990. Spanish interpreters are also available. For information or to request services, please contact the City Clerk at least 24 hours in advance of the meeting at (562) 567-9850.

**AGENDA  
WHITTIER CITY COUNCIL  
WHITTIER REDEVELOPMENT SUCCESSOR AGENCY  
WHITTIER UTILITY AUTHORITY  
REGULAR JOINT MEETING  
COUNCIL CHAMBER, 13230 PENN STREET  
MAY 12, 2020, 6:00 PM**

**1. CALL TO ORDER - CLOSED SESSION**

**2. PUBLIC COMMENT ON CLOSED SESSION**

The public is invited to comment on any closed session item listed below.

**3. CLOSED SESSION**

**3.A. Approval of Minutes**

Approve the March 10, March 13 and March 24, 2020 Closed Session meeting minutes.

**3.B. Conference with Labor Negotiators pursuant to Government Code Section 54957.6**

Agency Negotiator: Brian Saeki

Represented and Unrepresented Employee: Whittier City Employees' Association, Whittier Police Officers' Association, Whittier Police Management Association, and unrepresented employees

**3.C. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1)**

Ashvin Patel; Smita Patel; Shami, Inc.; Shamir Patel; Kalpana Patel; Balubhai N. Patel; Dinesh Kapadia; Kapadia Investments; City of Whittier Hotel/Motel Association, in its representative capacity suing on behalf of its members v. City of Whittier Court Case No. CV19-5198

**4. CALL TO ORDER - REGULAR SESSION**

**5. ROLL CALL**

Joseph A. Vinatieri, Mayor

Henry Bouchot, Mayor Pro Tem

Cathy Warner, Council Member

Jessica Martinez, Council Member

Fernando Dutra, Council Member

**6. PLEDGE OF ALLEGIANCE**

**7. CLOSED SESSION REPORT**

**8. PRESENTATIONS**

**9. APPROVAL OF AGENDA**

This is the time for the City Council/Boards of Directors to reorder the agenda, add or delete items, or make changes to the Agenda.

**10. PUBLIC COMMENTS**

The public is invited to address the City Council, Redevelopment Successor Agency or Utility Authority regarding any item of business or any matter within the bodies subject matter jurisdiction. Consistent with Executive Order No. N-29-20 public comments can be made via:

- Email: [ccd@cityofwhittier.org](mailto:ccd@cityofwhittier.org)
- Voicemail: (562) 567-9856

Please submit email and voicemail public comments by 5:00 p.m. on the date of the meeting to ensure City Council members receive and have time to review them. Email and voicemails received by 5:00 p.m. are forwarded to City Council Members. Email and voicemails received after 5:00 p.m. but before the conclusion of public comment portion will be entered into the record during the meeting.

Pursuant to State law, the City Council, Successor Agency, and Utility Authority cannot take action or express a consensus of approval or disapproval on any communications which do not appear on the printed agenda.

**11. CITY MANAGER REPORT**

**12. CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY/UTILITY AUTHORITY JOINT CONSENT CALENDAR**

All items on the Consent Calendar may be approved by a single motion. If a Council Member, Successor Agency Director or Utility Director wishes to discuss a Consent Calendar item, the item may be removed from the calendar for individual consideration.

**12.A. Waive Further Reading**

Recommendation: After the City Clerk has read the title, waive full reading of ordinances and resolutions considered on this agenda for adoption.

**12.B. Approval of Minutes**

Recommendation: Approve the March 13, 2020 Special Meeting and April 14, 2020 Regular Meeting minutes.

**12.C. Claims Against the City**

Recommendation: Deny claims filed by Jacqueline Garnica, Rosalina Ruiz, John Hernandez, et al.; Esmeralda Ortiz-Carrillo; Charla J. Rodgers; Ayied Salib and Bahaa Gerges; and Charles N. Goudeau III.

**12.D. Extension of Declaration of Local Emergency due to COVID-19**

Recommendation: Ratify the extension of emergency declaration and continue the resolution for another 60 days by adopting Resolution No. 2020-25 confirming extension of a local emergency.

**12.E. 2018-2019 General Plan Progress Report**

Recommendation: Receive and file the 2018-2019 General Plan Annual Progress Report and direct staff to forward a copy to the Governor's Office of Planning and Research and the State Department of Housing and Community Development.

**12.F. Reappointment of Planning Commissioner**

Recommendation: Reappoint Laura Cornejo to the Planning Commission to the vacant office expiring on July 1, 2021.

**12.G. Lighting Assessment District No. 01-91 (Foxley Drive)  
Preliminary Budget and Engineer's Report**

Recommendation: Approve the Engineer's Report for Fiscal Year 2020-21, on Street Lighting Assessment District No. 01-91; and adopt Resolution No. 2020-26 declaring its intention to levy and collect Fiscal Year 2020-21 Foxley Drive Street lighting assessment, and setting a public hearing for June 23, 2020 at 6:00 p.m.

**13. PUBLIC HEARINGS**

Anyone interested in matters scheduled for public hearing may submit public comment via Email or Voicemail. If you challenge any part of the proposed action in court, you may be limited to raising only those issues you or someone else raised during the public hearing.

- Email: [ccd@cityofwhittier.org](mailto:ccd@cityofwhittier.org)
- Voicemail: (562) 567-9856

Please submit public comments by 5:00 p.m. on the date of the meeting to ensure City Council members receive and have time to review them. Email and voicemails received by 5:00 p.m. are forwarded to City Council Members. Email and voicemails received after 5:00 p.m. but before the conclusion of public comment portion will be entered into the record during the meeting. A short recess will take place when public hearing opens to allow comments to be submitted.



**13.A. 2020 Water Refunding Revenue Bonds (Continued from April 28, 2020)**

Recommendation:

City Council:

- 1) Conduct a public hearing related to the issuance of Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020 (Bank Qualified), in an amount not to exceed \$7,000,000;
- 2) Adopt Resolution No. 2020-24 approving the issuance of the Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020, approving the form and authorizing the execution of a bond purchase agreement and a continuing disclosure certificate, approving a preliminary official statement and authorizing actions related thereto; and
- 3) Authorize the City Manager or designee to execute necessary documents.

Whittier Utility Authority Board:

- 1) Adopt Resolution No. WUA-2020-01 authorizing the issuance and sale of its Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020, approving the form and authorizing the execution of a first supplemental indenture, a bond purchase agreement and an escrow agreement, approving a preliminary official statement and authorizing actions related thereto; and
- 2) Authorize the Executive Director to execute necessary documents.

**13.B. Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit Ordinance (JUDA)**

Recommendation: The Planning Commission recommends City Council introduce and conduct first reading of Ordinance No. 3116 approving Zoning Code Amendment No. ZCA20-0001 to amend the Whittier Municipal Code and Specific Plan Amendment Nos. SPA20-0001, SPA20-0002, SPA20-0003, and SPA20-0004 to amend the Lincoln Specific Plan, Uptown Whittier Specific Plan, Whittier Boulevard Specific Plan and the Whittwood Town Center Specific Plan, consistent with new State laws regarding Accessory Dwelling Units and Junior Accessory Dwelling Units, and to find such amendments to be categorically and statutorily exempt from the California Environmental Quality Act.

**Environmental Review**

Adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA) under Public Resources Code section 21080.17 (statutory exemption for second unit ordinances); CEQA Guidelines sections 15282(h) (statutory exemption for second unit ordinances); 15303 (new construction of small structures) and 15305 (minor alterations to land). This ordinance is also exempt under CEQA Guidelines section 15378 and 15061, because this ordinance will not have a significant effect on the environment, because ADUs will largely constitute infill housing which is exempt from CEQA.

**14. STAFF REPORTS**

**14.A. Parks, Recreation and Community Services Response to the COVID-19 Whittier Recovery Plan**

Recommendation: Receive and file information regarding the Parks, Recreation and Community Services response to the COVID-19 Whittier Recovery Plan.

**14.B. City of Whittier Homeless Navigation Center**

Recommendation: Approve the selection of The Salvation Army as the service provider for the establishment and operation of a Homeless Navigation Center and direct staff to negotiate a service provider agreement and initiate necessary environmental and planning processes.

**14.C. Hygiene facilities for persons experiencing homelessness during COVID-19 Pandemic**

Recommendation: Receive and file report on restroom and handwashing options and public facilities for emergency shelters during the COVID-19 Pandemic.

**15. COUNCIL MEMBER/AGENCY DIRECTOR/UTILITY AUTHORITY DIRECTOR COMMENTS AND CONFERENCE REPORTS**

**16. ADJOURNMENT**

Disability-related services are available to enable persons with a disability to participate in this meeting, consistent with the Federal Americans with Disabilities Act of 1990. Spanish interpreters are also available. For information or to request services, please contact the City Clerk at least 24 hours in advance of the meeting at (562) 567-9850.

The agenda packet for regular meetings is available three days before the meeting on <http://www.cityofwhittier.org>. Materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection; please contact the City Clerk's Office.

Los servicios relacionados con la discapacidad están disponibles para permitir que las personas con discapacidad participen en esta reunión, de conformidad con la Ley Federal de Estadounidenses con Discapacidades de 1990. También hay intérpretes en español disponibles. Para obtener información o para solicitar servicios, comuníquese con el Secretario Municipal al menos 24 horas antes de la reunión al (562) 567-9850.

El paquete de la agenda para juntas regulares están disponible tres días antes de la reunión en [www.cityofwhittier.org](http://www.cityofwhittier.org). Los materiales distribuidos al Concejo Municipal dentro de las 72 horas de la reunión del Concejo Municipal están disponibles para inspección pública; póngase al contacto con la Oficina de la Secretaria Municipal.

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted in accordance with the applicable legal requirements. Regular and Adjourned Regular meeting agendas may be amended up to 72 hours in advance of the meeting. Dated this 8<sup>th</sup> day of May 2020.

/s/ Rigoberto Garcia Jr., City Clerk





# Agenda Report

City Council

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**Date:** May 12, 2020  
**To:** Brian Saeki, City Manager  
**From:** Rigoberto Garcia, City Clerk  
**Subject:** Approval of Minutes

## **RECOMMENDATION**

Approve the March 13, 2020 Special Meeting and April 14, 2020 Regular Meeting minutes.

## **DISCUSSION**

Staff prepared draft minutes and hereby submits the minutes for Council's approval.

## **FISCAL IMPACT**

There is no fiscal impact associated with this report.

## **ATTACHMENTS**

- A. March 13, 2020 Special Meeting minutes
- B. April 14, 2020 Regular Meeting minutes

**MINUTES  
WHITTIER CITY COUNCIL  
SPECIAL MEETING  
COUNCIL CHAMBERS, 13230 PENN STREET  
MARCH 13, 2020, 2:00 PM**

**1. CALL TO ORDER - CLOSED SESSION**

The Whittier City Council met in Closed Session on March 13, 2020. Mayor Vinatieri called the meeting to order at 2:05 p.m. in the Admin Conference Room of Whittier City Hall, 13230 Penn Street, Whittier, CA 90602.

**2. ROLL CALL**

**PRESENT:** Joseph A. Vinatieri, Mayor  
Fernando Dutra, Mayor Pro Tem  
Henry Bouchot, Council Member  
Josué Alvarado, Council Member

**ABSENT:** Cathy Warner, Council Member

**STAFF PRESENT:**

Brian Saeki, City Manager  
Richard L. Adams II, Assistant City Attorney  
Shannon DeLong, Assistant City Manager  
Rigoberto Garcia, Jr., City Clerk  
Katie Galvin-Šurbatović, Business Development Manager

**3. PUBLIC COMMENT ON CLOSED SESSION**

None.

**4. CLOSED SESSION**

**4.A. THREAT TO PUBLIC SERVICES OR FACILITIES pursuant to  
Government Code Section 54957**

Consultation with: Assistant City Attorney

**5. CLOSED SESSION REPORT**

There was no reportable action taken.

**6. ADJOURNMENT**

Mayor Vinatieri adjourned the meeting at 3:14 p.m.

**MINUTES  
WHITTIER CITY COUNCIL  
WHITTIER REDEVELOPMENT SUCCESSOR AGENCY  
WHITTIER UTILITY AUTHORITY  
REGULAR JOINT MEETING  
COUNCIL CHAMBER, 13230 PENN STREET  
APRIL 14, 2020, 6:00 PM**

**1. CALL TO ORDER - CLOSED SESSION**

None.

**2. PUBLIC COMMENT ON CLOSED SESSION**

None.

**3. CLOSED SESSION**

None.

**4. CALL TO ORDER - REGULAR SESSION – 6:30 PM**

Mayor Vinatieri, consistent with Executive Order No. N-25-20, called the Regular Session to order at 6:30 p.m. via telephone conference in the Council Chamber of Whittier City Hall, 13230 Penn Street, Whittier, CA 90602.

**5. ROLL CALL**

**PRESENT:**

Joseph A. Vinatieri, Mayor  
Fernando Dutra, Mayor Pro Tem  
Henry Bouchot, Council Member  
Cathy Warner, Council Member  
Jessica Martinez, Council Member [Installed after Item 10.A.]

**ABSENT:** Josué Alvarado, Council Member

**STAFF PRESENT:**

Brian Saeki, City Manager  
Dick Jones, City Attorney  
Shannon DeLong, Assistant City Manager  
Rigoberto Garcia, Jr., City Clerk

**6. PLEDGE OF ALLEGIANCE**

Council Member Bouchot led the Pledge of Allegiance.

**7. CLOSED SESSION REPORT**

City Attorney Jones indicated there was no Closed Session meeting.

**8. APPROVAL OF AGENDA**

MOTION

Mayor Pro Tem Dutra moved and Council Member Warner seconded a motion to approve the agenda. The question was called and the motion carried 4-0-1, Council Member Alvarado absent.

**9. PUBLIC COMMENTS**

Mayor Vinatieri stated that consistent with Governor Newsom's Executive Order N-29-20, public comment options were made available to the public for participation by email and voicemail. Staff forwarded correspondence to City Council Members for review.

City Clerk Garcia stated two public comments were received via email and the correspondence is on file with the City Clerk Department.

**10. PRESENTATIONS**

**10.A. 2020 General Municipal Election Certification and Installation of Newly Elected City Council Officers**

Recommendation: Adopt Resolution No. 2020-16 reciting the facts of the General Municipal Election held on March 3, 2020, declaring the results and such other matters as provided by law; and install newly elected City Council officials.

City Clerk Garcia provided the staff report and answered questions regarding budgetary and operational differences between a standalone and consolidated election. City Clerk Garcia indicated he administered the Oath of Office privately ahead of the meeting to newly elected Council Member Martinez, Council Member Warner, and Mayor Vinatieri.

MOTION

Mayor Pro Tem Dutra moved and Council Member Bouchot seconded a motion to adopt Resolution No. 2020-16 reciting the facts of the General Municipal Election held on March 3, 2020, declaring the results and such other matters as provided by law; and install newly elected City Council officials. The question was called and the motion carried 4-0-1, Council Member Alvarado absent.

The Council thanked Council Member Alvarado for his service to the City of Whittier, and congratulated newly elected Council Members and Mayor.



**10.B. Selection of Mayor Pro Tem and Council Rotation Policy**

Recommendation: Nominate a Council Member to serve as Mayor Pro Tem for a one-year period; and adopt Resolution No. 2020-17 establishing a Mayor Pro Tem rotation and seniority policy, and repealing Resolution No. 8860.

City Clerk Garcia provided the staff report.

**MOTION**

Mayor Pro Tem Dutra moved and Council Member Warner seconded a motion to nominate Council Member Bouchot to serve as Mayor Pro Tem; and adopt Resolution No. 2020-17 establishing a Mayor Pro Tem rotation and seniority policy, and repealing Resolution No. 8860. The question was called and the motion carried unanimously.

**11. CITY COUNCIL/REDEVELOPMENT SUCCESSOR AGENCY/UTILITY AUTHORITY JOINT CONSENT CALENDAR**

Council Member Dutra pulled Item 11.E. for individual consideration.

Mayor Vinatieri, Council Member Warner, Council Member Dutra, and Council Member Martinez disclosed having bank accounts at Friendly Hills Bank.

City Attorney Jones indicated there was no conflict of interest in participating in the discussion that includes Friendly Hills Bank (Item 11.E.)

City Manager Saeki clarified Item 11.E. is a receive-and-file item that does not require further action at this point.

**MOTION**

Council Member Dutra moved and Council Member Martinez seconded a motion to approve the consent calendar with the exception of Item 11.E. The question was called and the motion carried unanimously.

The Consent Calendar consisted of the following items.

**11.A. Waive Further Reading**

Recommendation: After the City Clerk has read the title, waive full reading of ordinances and resolutions considered on this agenda for adoption.

**11.B. Ordinance No. 3109 - Services Transactions and Use Tax Implementation**

Recommendation:

- 1) Adopt Resolution No. 2020-18 authorizing the City Manager to execute agreements with the California Department of Tax and Fee Administration for implementation of a local transactions and use tax; The agreements consists of:
  - a. An agreement with the California State Department of Tax and Fee Administration for a not-to-exceed agreement in the amount of \$175,000 for preparatory costs associated with administration and operation the City's transactions and use tax ordinance;
  - b. An agreement with the California State Department of Tax and Fee Administration for administration and collection of City Taxes, allocation of taxes, and other related miscellaneous provisions;
- 2) Adopt Resolution No. 2020-19 authorizing examination of sales, use and transactions tax records;
- 3) Approve and authorize the City Manager to enter into an agreement with Hinderliter, de Llamas and Associates for tax revenue reporting and services for a specified monthly payment of \$450 not to exceed \$5,400 annually.

**11.C. Update Governor's Office of Emergency Services Form 130**

Recommendation: Adopt Resolution No. 2020-20 designating authorized agents on the State of California Governor's Office of Emergency Services, Form 130 and authorize the named agents to file appropriate disaster recovery documents.

**11.D. Business Continuity Program - Storage Area Network Replacement Project**

Recommendation: Approve and authorize the City Manager to execute a professional services agreement with Red8 for a five-year subscription to Datrium DRaaS, a business continuity, disaster recovery, and virtualization system solution at a cost not to exceed \$314,000.

The following item was pulled for individual consideration.

**11.E. COVID-19 Small Business Loan Programs**

Recommendation: Receive and file a report regarding COVID-19 related small business loan programs being offered by various government entities and a similar proposal from Friendly Hills Bank.

City Manager Saeki presented the staff report.

**MOTION**

Council Member Dutra moved and Council Member Warner seconded a motion to receive and file a report regarding COVID-19 related small business loan programs being offered by various government entities and a similar proposal from Friendly Hills Bank. The question was called and the motion carried unanimously.

**12. PUBLIC HEARINGS**

None.

**13. STAFF REPORTS**

None.

**14. CITY MANAGER REPORT**

City Manager Saeki thanked Council Member Alvarado for his service on the Council, congratulated Mayor Vinatieri and Council Members Warner and Martinez on their successful elections, and congratulated newly elected Mayor Pro Tem Bouchot.

City Manager Saeki discussed the Whittier Coronavirus Crisis Team focus, its' membership, and provided the following updates:

- 1) The Parks, Recreation, and Community Services Department has refunded residents after the cancellation of spring programs;
- 2) Library staff is offering online and virtual programming for local families and youth and Parks, Recreations, and Community Services staff is delivering meals to senior population in collaboration with Supervisor Janice Hahn's office, Whittier Meals on Wheels, and Southeast Area Social Services Funding Authority;
- 3) Athens Trash Services will temporarily be consolidating waste pick-up into one trip, and Republic Trash Services should follow suit soon;
- 4) Community Development will continue to offer intake and review of development plans and issue permits. Two black bins are located outside city hall's front entrance for drop off;
- 5) Thanked the Whittier Police Department for their continued hard work;
- 6) City Staff has begun formulating a Whittier Recovery Plan, which will focus on areas of the city including small business support, housing, and other needs; and
- 7) COVID-19 is a fluid situation, so the City website will continue to be updated.

**15. COUNCIL MEMBER/AGENCY DIRECTOR/UTILITY AUTHORITY DIRECTOR  
COMMENTS AND CONFERENCE REPORTS**

Council Member Dutra provided an update from Metro on the Twenty-Eight by '28 Pillar Project, stressing the importance of Metro to find sources to fund infrastructure projects because these projects will help stimulate the economy; and shared he volunteered with Orchard's BBQ and Grill.

Council Member Warner thanked Council Member Alvarado for his community service; City Manager Saeki; City Staff; Mayor Vinatieri; residents; and the Chamber of Commerce for their efforts in dealing with the pandemic on a daily basis.

Mayor Pro Tem Bouchot discussed COVID-19 future responses and agreed the City should find funding sources for infrastructure to accelerate and widen street-scraping plans in Uptown.

Mayor Vinatieri thanked residents who voted for Measure W, reinforced transparency with funds, thanked residents for abiding by guidelines to prevent the spread of COVID-19, and encouraged residents to share stories of kindness in Whittier.

**16. ADJOURNMENT**

Mayor Vinatieri adjourned the meeting at 7:55 p.m.



# Agenda Report

City Council

**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Monica Lo, Director of Administrative Services

**Subject:** Claims Against the City

## **RECOMMENDATION**

Deny claims filed by Jacqueline Garnica, Rosalina Ruiz, John Hernandez, et al.; Esmeralda Ortiz-Carrillo; Charla J. Rodgers; Ayied Salib and Bahaa Gerges; and Charles N. Goudeau III.

## **DISCUSSION**

### Property Damage

Jacqueline Garnica claims tree roots damaged her property.

Rosalina Ruiz claims uneven pavement damaged her vehicle.

### Bodily Injury

John Hernandez, et al. claim bodily injury due to assault by a private party.

Esmeralda Ortiz-Carrillo claims a ladder fell and caused bodily injury.

Charla J. Rodgers alleges dangerous condition of public property caused injuries to Plaintiff Laura Freeman.

Ayied Salib and Bahaa Gerges claim bodily injury due to traffic collision with a City vehicle.

### Other

Charles N. Goudeau III claims monetary loss due to impounded vehicle.

## **FISCAL IMPACT**

There is no fiscal impact associated with this report.

## **ATTACHMENTS**

A. Claim Forms (supporting documentation available in the Administrative Services Department)

**Agenda Item No. 12.C.**

20-591600-071

CITY OF WHITTIER  
CITY CLERK



# CITY OF WHITTIER

2020 FEB 28 PM 4: 50

**Instructions: READ ENTIRE FORM BEFORE COMPLETING.**  
**FILE WITH CITY CLERK, CITY HALL, 13230 PENN STREET WHITTIER, CA 90602**  
**CLAIMS FOR DEATH, INJURY TO PERSON OR TO PERSONAL PROPERTY MUST**  
**BE FILED NO LATER THAN SIX (6) MONTHS AFTER THE OCCURRENCE.**  
**(GOV'T CODE SECTION 911.2)**  
**CLAIMS FOR DAMAGES TO REAL PROPERTY MUST BE FILED NOT LATER THAN**  
**ONE (1) YEAR AFTER THE OCCURRENCE. (GOV'T CODE SECTION 911.2)**  
**FOR QUESTIONS ON HOW TO FILE A CLAIM OR REGARDING A CLAIM YOU HAVE**  
**FILED, PLEASE CONTACT THE CITY'S ADMINISTRATION SERVICES' OFFICE AT**  
**(562) 567-9810.**

THE UNDERSIGNED HEREBY PRESENTS THE FOLLOWING CLAIM TO THE CITY OF WHITTIER IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

1. NAME OF CLAIMANT: Jacqueline Garnica BIRTHDATE \_\_\_\_\_

2. MALE \_\_\_ FEMALE  SOCIAL SECURITY NO. \_\_\_\_\_ DRIVER'S LICENSE # \_\_\_\_\_

3. ADDRESS OF CLAIMANT 6244 Southwind Drive Whittier 90601  
 STREET CITY ZIP CODE

TELEPHONE NO. HOME (562) 480-7091 BUSINESS \_\_\_\_\_

MAIL NOTICES TO: 6244 Southwind Drive Whittier 90601  
 STREET CITY ZIP CODE

4. IF THIS CLAIM IS MADE BY ONE PERSON ON BEHALF OF ANOTHER, STATE:

(A) NAME \_\_\_\_\_ Male \_\_\_ Female \_\_\_ RELATIONSHIP \_\_\_\_\_

(B) ADDRESS \_\_\_\_\_  
 STREET CITY ZIP CODE

5. IF PERSON INJURED OR DAMAGED IS A MINOR, STATE BIRTH DATE: \_\_\_\_\_

6. NAME AND ADDRESS OF ATTORNEY (REGARDING THIS CLAIM) \_\_\_\_\_  
 STREET CITY ZIP CODE

7. WHEN DID INCIDENT OCCUR? DATE: \_\_\_\_\_ TIME: \_\_\_\_\_

8. PLACE OF OCCURRENCE OR INCIDENCE: (DESCRIBE FULLY AND DRAW DIAGRAM ON SEPARATE PAGE IF NECESSARY)

9. GENERAL DESCRIPTION OF INJURY, DAMAGE OR LOSS: \_\_\_\_\_

10. IF BASIS OF CLAIM IS ALLEGED TO BE AN ACT/OMISSION OF A CITY OFFICER OR EMPLOYEE:

(A) NAME OF OFFICER OR EMPLOYEE, IF KNOWN \_\_\_\_\_

(B) CLAIMANT'S STATEMENT OF THE BASIS OF SUCH OFFICER OR EMPLOYEES LIABILITY \_\_\_\_\_

11. IF BASIS OF CLAIM IS A "DANGEROUS OR DEFECTIVE CONDITION OF PUBLIC PROPERTY", COMPLETE THE FOLLOWING:

(A) PUBLIC PROPERTY ALLEGED TO BE DANGEROUS OR DEFECTIVE: Large tree in front of our house, (the roots) pushed on pipe near water main causing a leak.

(B) DATE OF NOTIFICATION AND NAME OF CITY EMPLOYEE HAVING PRIOR KNOWLEDGE OF SUCH DANGEROUS CONDITION: 2-27-2020, believe name was Wayne

(C) GENERAL STATEMENT OF HOW ACCIDENT OR INCIDENT OCCURRED: The large tree on city property that is located near our water main (roots) were pushing on pipe causing a tear in pipe causing it to leak.

Had to have it repaired by plumber. Had someone from city come take a look at it while the city was exposed.

12. DAMAGES CLAIMED: Bodily Injury \_\_\_\_\_ Property Damage X Other \_\_\_\_\_  
 AMOUNT INCURRED TO DATE \$ \_\_\_\_\_ TOTAL AMOUNT OF CLAIM \$ 650.00

13. IF BODILY INJURY CLAIM:

(A) NAME AND ADDRESS OF PHYSICIAN: \_\_\_\_\_  
 STREET CITY ZIP CODE

(B) NAME AND ADDRESS OF HOSPITAL: \_\_\_\_\_  
 STREET CITY ZIP CODE

(C) NAME AND ADDRESS OF WITNESSES, IF ANY:  
Rosales Plumbing P.O. Box 557 W. Covina CA 91790-0357  
 NAME STREET CITY ZIP CODE

(626) 917-2650

14. WAS INCIDENT INVESTIGATED BY POLICE? \_\_\_\_\_ IF SO, WHAT CITY? \_\_\_\_\_

STATE PHYSICAL CONDITIONS SURROUNDING THE OCCURRENCE - WEATHER, ROAD, AND TRAFFIC CONDITIONS, ETC. Weather was normal, not much traffic coming up our neighborhood

I DECLARE, UNDER PENALTY OF PERJURY, THAT I HAVE READ THE FOREGOING CLAIM AND THE PAPERS ATTACHED THERETO, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

EXECUTED ON (DATE) 2-28-2020 AT 3:33 pm

SECTION 72 OF THE PENAL CODE PROVIDES: "EVERY PERSON WHO, WITH INTENT TO DEFRAUD, PRESENTS FOR ALLOWANCE OR FOR PAYMENT TO ANY STATE BOARD OR OFFICER, OR TO ANY COUNTY, CITY, DISTRICT, BOARD, OR OFFICER, AUTHORIZED TO ALLOW OR TO PAY THE SAME IF GENUINE, ANY FALSE OR FRAUDULENT CLAIM, BILL, ACCOUNT, VOUCHER, OR WRITING, IS GUILTY OF A FELONY."

SIGNED: [Signature]  
 SIGNATURE OF CLAIMANT OR AGENT  
Jacqueline Garnica  
 PRINT NAME CLEARLY

6244 Southwind Drive Whittier CA 90601  
 ADDRESS OF CLAIMANT OR AGENT (STREET, CITY, ZIP CODE)

(562) 480-7091  
 TELEPHONE NO. OF CLAIMANT OR AGENT





CITY OF WHITTIER

2020 MAR 10 PM 1:04

Instructions: READ ENTIRE FORM BEFORE COMPLETING  
FILE WITH CITY CLERK, CITY HALL, 13230 PENN STREET WHITTIER, CA 90602  
CLAIMS FOR DEATH, INJURY TO PERSON OR TO PERSONAL PROPERTY MUST  
BE FILED NO LATER THAN SIX (6) MONTHS AFTER THE OCCURRENCE  
(GOV'T CODE SECTION 911 2)  
CLAIMS FOR DAMAGES TO REAL PROPERTY MUST BE FILED NOT LATER THAN  
ONE (1) YEAR AFTER THE OCCURRENCE (GOV'T CODE SECTION 911 2)

THE UNDERSIGNED HEREBY PRESENTS THE FOLLOWING CLAIM TO THE CITY OF WHITTIER IN  
ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

1 NAME OF CLAIMANT: Rosalina Ruiz BIRTHDATE \_\_\_\_\_  
2 MALE \_\_\_ FEMALE  SOCIAL SECURITY NO \_\_\_\_\_ DRIVER'S LICENSE # \_\_\_\_\_  
3 ADDRESS OF CLAIMANT 14808 La Cuarta Street Whittier 90605  
STREET CITY ZIP CODE  
TELEPHONE NO. HOME \_\_\_\_\_ BUSINESS \_\_\_\_\_  
MAIL NOTICES TO: 14808 La Cuarta Street Whittier 90605  
STREET CITY ZIP CODE

4 IF THIS CLAIM IS MADE BY ONE PERSON ON BEHALF OF ANOTHER, STATE:  
(A) NAME N/A Male \_\_\_ Female \_\_\_ RELATIONSHIP \_\_\_\_\_  
(B) ADDRESS \_\_\_\_\_  
STREET CITY ZIP CODE

5 IF PERSON INJURED OR DAMAGED IS A MINOR, STATE BIRTH DATE: N/A

6 NAME AND ADDRESS OF ATTORNEY (REGARDING THIS CLAIM) N/A  
STREET CITY ZIP CODE

7 WHEN DID INCIDENT OCCUR? DATE: Feb 26, 2020 TIME: 7:45 am

8 PLACE OF OCCURRENCE OR INCIDENCE: (DESCRIBE FULLY AND DRAW DIAGRAM ON  
SEPARATE PAGE IF NECESSARY) Ocean View / Tedmory

9 GENERAL DESCRIPTION OF INJURY, DAMAGE OR LOSS: Curb cement cracked  
My front right tire popped due to curb cement being  
damaged. Had to get towed because of no spare tire.

10 IF BASIS OF CLAIM IS ALLEGED TO BE AN ACT/OMISSION OF A CITY OFFICER OR EMPLOYEE:  
(A) NAME OF OFFICER OR EMPLOYEE, IF KNOWN \_\_\_\_\_  
(B) CLAIMANT'S STATEMENT OF THE BASIS OF SUCH OFFICER OR EMPLOYEES LIABILITY \_\_\_\_\_



11. IF BASIS OF CLAIM IS A "DANGEROUS OR DEFECTIVE CONDITION OF PUBLIC PROPERTY", COMPLETE THE FOLLOWING:

(A) PUBLIC PROPERTY ALLEGED TO BE DANGEROUS OR DEFECTIVE: Curbon Ocean View is damaged cement X street Tadmory

(B) DATE OF NOTIFICATION AND NAME OF CITY EMPLOYEE HAVING PRIOR KNOWLEDGE OF SUCH DANGEROUS CONDITION: \_\_\_\_\_

(C) GENERAL STATEMENT OF HOW ACCIDENT OR INCIDENT OCCURRED: \_\_\_\_\_

12. DAMAGES CLAIMED: Bodily Injury N/A Property Damage \$247.66 Other \_\_\_\_\_  
AMOUNT INCURRED TO DATE \$ \_\_\_\_\_ TOTAL AMOUNT OF CLAIM \$ \$247.66

13. IF BODILY INJURY CLAIM:

(A) NAME AND ADDRESS OF PHYSICIAN: \_\_\_\_\_

STREET CITY ZIP CODE

(B) NAME AND ADDRESS OF HOSPITAL: \_\_\_\_\_

STREET CITY ZIP CODE

(C) NAME AND ADDRESS OF WITNESSES, IF ANY:

NAME STREET CITY ZIP CODE

NAME STREET CITY ZIP CODE

14 WAS INCIDENT INVESTIGATED BY POLICE? No IF SO, WHAT CITY? \_\_\_\_\_

STATE PHYSICAL CONDITIONS SURROUNDING THE OCCURRENCE - WEATHER, ROAD, AND TRAFFIC CONDITIONS, ETC \_\_\_\_\_

I DECLARE, UNDER PENALTY OF PERJURY, THAT I HAVE READ THE FOREGOING CLAIM AND THE PAPERS ATTACHED THERETO, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

EXECUTED ON (DATE) Feb 26, 2020 AT 3:30pm

SECTION 72 OF THE PENAL CODE PROVIDES: "EVERY PERSON WHO, WITH INTENT TO DEFRAUD, PRESENTS FOR ALLOWANCE OR FOR PAYMENT TO ANY STATE BOARD OR OFFICER, OR TO ANY COUNTY, CITY, DISTRICT, BOARD, OR OFFICER, AUTHORIZED TO ALLOW OR TO PAY THE SAME IF GENUINE. ANY FALSE OR FRAUDULENT CLAIM, BILL, ACCOUNT, VOUCHER, OR WRITING, IS GUILTY OF A FELONY."

SIGNED: Rosalina Ruiz  
SIGNATURE OF CLAIMANT OR AGENT

Rosalina Ruiz  
PRINT NAME CLEARLY

14808 La Cuarta Street Whittier, CA 90605  
ADDRESS OF CLAIMANT OR AGENT (STREET, CITY, ZIP CODE)

626 893-7119  
TELEPHONE NO OF CLAIMANT OR AGENT

20-591710-076



# CITY OF WHITTIER

**Instructions:** READ ENTIRE FORM BEFORE COMPLETING  
FILE WITH CITY CLERK, CITY HALL, 13230 PENN STREET WHITTIER, CA 90602  
CLAIMS FOR DEATH, INJURY TO PERSON OR TO PERSONAL PROPERTY MUST  
BE FILED NO LATER THAN SIX (6) MONTHS AFTER THE OCCURRENCE.  
(GOV'T CODE SECTION 911 2)  
CLAIMS FOR DAMAGES TO REAL PROPERTY MUST BE FILED NOT LATER THAN  
ONE (1) YEAR AFTER THE OCCURRENCE. (GOV'T CODE SECTION 911 2)

THE UNDERSIGNED HEREBY PRESENTS THE FOLLOWING CLAIM TO THE CITY OF WHITTIER IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

1. **NAME OF CLAIMANT:** John II, Bianca, John III and Abigail Hernandez **BIRTHDATE** \_\_\_\_\_  
2. **MALE**  **FEMALE**  **SOCIAL SECURITY NO.** \_\_\_\_\_ **DRIVER'S LICENSE #** \_\_\_\_\_  
3. **ADDRESS OF CLAIMANT** 14279 Linda Vista Dr Whittier 90602  
STREET CITY ZIP CODE  
**TELEPHONE NO. HOME** (562) 397-6932 **BUSINESS** \_\_\_\_\_  
**MAIL NOTICES TO:** Atty: Jeffrey Zinder 25101 The Old Road Suite 222 Stevenson Ranch 91381  
STREET CITY ZIP CODE

4. **IF THIS CLAIM IS MADE BY ONE PERSON ON BEHALF OF ANOTHER, STATE:**  
(A) **NAME** \_\_\_\_\_ **Male**  **Female**  **RELATIONSHIP** \_\_\_\_\_  
(B) **ADDRESS** \_\_\_\_\_  
STREET CITY ZIP CODE

5. **IF PERSON INJURED OR DAMAGED IS A MINOR, STATE BIRTH DATE:** \_\_\_\_\_  
6. **NAME AND ADDRESS OF ATTORNEY (REGARDING THIS CLAIM)** Jeffrey Zinder  
25101 The Old Road Suite 222 Stevenson Ranch 91381  
STREET CITY ZIP CODE

7. **WHEN DID INCIDENT OCCUR? DATE:** 9/13/2019 **TIME:** 7:20 pm

8. **PLACE OF OCCURRENCE OR INCIDENCE:** (DESCRIBE FULLY AND DRAW DIAGRAM ON SEPARATE PAGE IF NECESSARY) The attack occurred at the East Whittier Middle School  
He was viciously beaten in front of his wife and two children. This was then followed up by the unjustified actions of the members of the Whittier School District in banning him from any attendance at events and games.

9. **GENERAL DESCRIPTION OF INJURY, DAMAGE OR LOSS:** Severe head trauma, with TBI.  
These physical injuries and their aftermath. The actions of the Whittier School District in banning him from attendance caused additional emotional injuries to both he and his family.

10. **IF BASIS OF CLAIM IS ALLEGED TO BE AN ACT/OMISSION OF A CITY OFFICER OR EMPLOYEE:**  
(A) **NAME OF OFFICER OR EMPLOYEE, IF KNOWN** See attached  
(B) **CLAIMANT'S STATEMENT OF THE BASIS OF SUCH OFFICER OR EMPLOYEES LIABILITY**  
See attached

11. IF BASIS OF CLAIM IS A "DANGEROUS OR DEFECTIVE CONDITION OF PUBLIC PROPERTY", COMPLETE THE FOLLOWING:
- (A) PUBLIC PROPERTY ALLEGED TO BE DANGEROUS OR DEFECTIVE: \_\_\_\_\_
- (B) DATE OF NOTIFICATION AND NAME OF CITY EMPLOYEE HAVING PRIOR KNOWLEDGE OF SUCH DANGEROUS CONDITION: \_\_\_\_\_
- (C) GENERAL STATEMENT OF HOW ACCIDENT OR INCIDENT OCCURRED: \_\_\_\_\_

12. DAMAGES CLAIMED: Bodily Injury X Property Damage \_\_\_\_\_ Other X  
 AMOUNT INCURRED TO DATE \$ continuing TOTAL AMOUNT OF CLAIM \$ 2,000,000.00


13. IF BODILY INJURY CLAIM:
- (A) NAME AND ADDRESS OF PHYSICIAN: Various ED Physicians--see attached  
12401 Washington Blvd Whittier 90602  
 STREET CITY ZIP CODE
- (B) NAME AND ADDRESS OF HOSPITAL: PIH Health Hospital-Whittier  
12401 Washington Blvd Whittier 90602  
 STREET CITY ZIP CODE
- (C) NAME AND ADDRESS OF WITNESSES, IF ANY:  
Bianca Hernandez, John Hernandez III, Abigail Hernandez  
 NAME STREET CITY ZIP CODE  
 NAME STREET CITY ZIP CODE

14. WAS INCIDENT INVESTIGATED BY POLICE? Yes IF SO, WHAT CITY? Whittier  
 STATE PHYSICAL CONDITIONS SURROUNDING THE OCCURRENCE - WEATHER, ROAD, AND TRAFFIC CONDITIONS, ETC Darkened area of the field

I DECLARE, UNDER PENALTY OF PERJURY, THAT I HAVE READ THE FOREGOING CLAIM AND THE PAPERS ATTACHED THERETO, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

EXECUTED ON (DATE) 3/11/2020 AT Stevenson Ranch, CA 91381

SECTION 72 OF THE PENAL CODE PROVIDES: "EVERY PERSON WHO, WITH INTENT TO DEFRAUD, PRESENTS FOR ALLOWANCE OR FOR PAYMENT TO ANY STATE BOARD OR OFFICER, OR TO ANY COUNTY, CITY, DISTRICT, BOARD, OR OFFICER, AUTHORIZED TO ALLOW OR TO PAY THE SAME IF GENUINE. ANY FALSE OR FRAUDULENT CLAIM, BILL, ACCOUNT, VOUCHER, OR WRITING, IS GUILTY OF A FELONY."

SIGNED:   
 SIGNATURE OF CLAIMANT OR AGENT  
Jeffrey E. Zinder, Esq. CSBN 89980  
 PRINT NAME CLEARLY  
25101 The Old Road Suite 222 Stevenson Ranch, CA 91381  
 ADDRESS OF CLAIMANT OR AGENT (STREET, CITY, ZIP CODE)  
818-760-0100  
 TELEPHONE NO OF CLAIMANT OR AGENT



CITY OF WHITTIER

2020 MAR -6 AM 11: 21

Instructions: READ ENTIRE FORM BEFORE COMPLETING.  
FILE WITH CITY CLERK, CITY HALL, 13230 PENN STREET WHITTIER, CA 90602  
CLAIMS FOR DEATH, INJURY TO PERSON OR TO PERSONAL PROPERTY MUST  
BE FILED NO LATER THAN SIX (6) MONTHS AFTER THE OCCURRENCE.  
(GOV'T CODE SECTION 911.2)  
CLAIMS FOR DAMAGES TO REAL PROPERTY MUST BE FILED NOT LATER THAN  
ONE (1) YEAR AFTER THE OCCURRENCE. (GOV'T CODE SECTION 911.2)

THE UNDERSIGNED HEREBY PRESENTS THE FOLLOWING CLAIM TO THE CITY OF WHITTIER IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

1. NAME OF CLAIMANT: Esmeralda Ortiz-Carrillo BIRTHDATE \_\_\_\_\_

2. MALE \_\_\_ FEMALE  SOCIAL SECURITY NO. \_\_\_\_\_ DRIVER'S LICENSE # \_\_\_\_\_

3. ADDRESS OF CLAIMANT 12814 Foxley Dr. Whittier 90602  
STREET CITY ZIP CODE

TELEPHONE NO. HOME (626) 465-2500 BUSINESS \_\_\_\_\_

MAIL NOTICES TO: 2350 SE Bristol St. Newport Beach 92660  
STREET CITY ZIP CODE

4. IF THIS CLAIM IS MADE BY ONE PERSON ON BEHALF OF ANOTHER, STATE:  
(A) NAME \_\_\_\_\_ Male \_\_\_ Female \_\_\_ RELATIONSHIP \_\_\_\_\_  
(B) ADDRESS \_\_\_\_\_  
STREET CITY ZIP CODE

5. IF PERSON INJURED OR DAMAGED IS A MINOR, STATE BIRTH DATE: \_\_\_\_\_

6. NAME AND ADDRESS OF ATTORNEY (REGARDING THIS CLAIM) Anthony Perez, Esq.  
2350 SE Bristol St. Newport Beach 92660  
STREET CITY ZIP CODE

7. WHEN DID INCIDENT OCCUR? DATE: 10/18/2019 TIME: 10:40 am.

8. PLACE OF OCCURRENCE OR INCIDENCE: (DESCRIBE FULLY AND DRAW DIAGRAM ON SEPARATE PAGE IF NECESSARY)  
Foxley Drive, Whittier

9. GENERAL DESCRIPTION OF INJURY, DAMAGE OR LOSS:  
Ladder fell on claimant from city owned garbage truck.

10. IF BASIS OF CLAIM IS ALLEGED TO BE AN ACT/OMISSION OF A CITY OFFICER OR EMPLOYEE:  
(A) NAME OF OFFICER OR EMPLOYEE, IF KNOWN TBD  
(B) CLAIMANT'S STATEMENT OF THE BASIS OF SUCH OFFICER OR EMPLOYEES LIABILITY  
TBD

11 IF BASIS OF CLAIM IS A "DANGEROUS OR DEFECTIVE CONDITION OF PUBLIC PROPERTY", COMPLETE THE FOLLOWING:

(A) PUBLIC PROPERTY ALLEGED TO BE DANGEROUS OR DEFECTIVE: TBD

(B) DATE OF NOTIFICATION AND NAME OF CITY EMPLOYEE HAVING PRIOR KNOWLEDGE OF SUCH DANGEROUS CONDITION: TBD

(C) GENERAL STATEMENT OF HOW ACCIDENT OR INCIDENT OCCURRED: TBD

12. DAMAGES CLAIMED: Bodily Injury X Property Damage \_\_\_\_\_ Other \_\_\_\_\_  
AMOUNT INCURRED TO DATE \$ 50,000 TOTAL AMOUNT OF CLAIM \$ 250,000 +

13. IF BODILY INJURY CLAIM:

(A) NAME AND ADDRESS OF PHYSICIAN: TBD

STREET CITY ZIP CODE

(B) NAME AND ADDRESS OF HOSPITAL: \_\_\_\_\_

STREET CITY ZIP CODE

(C) NAME AND ADDRESS OF WITNESSES, IF ANY:

NAME STREET CITY ZIP CODE

NAME STREET CITY ZIP CODE

14. WAS INCIDENT INVESTIGATED BY POLICE? TBD IF SO, WHAT CITY? \_\_\_\_\_

STATE PHYSICAL CONDITIONS SURROUNDING THE OCCURRENCE - WEATHER, ROAD, AND TRAFFIC CONDITIONS, ETC. TBD

I DECLARE, UNDER PENALTY OF PERJURY, THAT I HAVE READ THE FOREGOING CLAIM AND THE PAPERS ATTACHED THERETO, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

EXECUTED ON (DATE) 3/4/2020 AT Newport Beach, CA

SECTION 72 OF THE PENAL CODE PROVIDES: "EVERY PERSON WHO, WITH INTENT TO DEFRAUD, PRESENTS FOR ALLOWANCE OR FOR PAYMENT TO ANY STATE BOARD OR OFFICER, OR TO ANY COUNTY, CITY, DISTRICT, BOARD, OR OFFICER, AUTHORIZED TO ALLOW OR TO PAY THE SAME IF GENUINE, ANY FALSE OR FRAUDULENT CLAIM, BILL, ACCOUNT, VOUCHER, OR WRITING, IS GUILTY OF A FELONY."

SIGNED: Mabil Freij  
SIGNATURE OF CLAIMANT OR AGENT

Mabil Freij  
PRINT NAME CLEARLY

2350 SE Bristol St, Newport Beach, 92666  
ADDRESS OF CLAIMANT OR AGENT (STREET, CITY, ZIP CODE)

(949) 313-3577  
TELEPHONE NO. OF CLAIMANT OR AGENT

20-591520-074

CITY OF WHITTIER  
CITY CLERK

2020 MAR -6 AM 10: 34



### CITY OF WHITTIER

**Instructions: READ ENTIRE FORM BEFORE COMPLETING**  
FILE WITH CITY CLERK, CITY HALL, 13230 PENN STREET WHITTIER, CA 90602  
CLAIMS FOR DEATH, INJURY TO PERSON OR TO PERSONAL PROPERTY MUST  
BE FILED NO LATER THAN SIX (6) MONTHS AFTER THE OCCURRENCE.  
(GOV'T CODE SECTION 911 2)  
CLAIMS FOR DAMAGES TO REAL PROPERTY MUST BE FILED NOT LATER THAN  
ONE (1) YEAR AFTER THE OCCURRENCE (GOV'T CODE SECTION 911 2)

THE UNDERSIGNED HEREBY PRESENTS THE FOLLOWING CLAIM TO THE CITY OF WHITTIER IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

1. NAME OF CLAIMANT: Charla J. Rodgers BIRTHDATE \_\_\_\_\_  
2. MALE \_\_\_ FEMALE X SOCIAL SECURITY NO \_\_\_\_\_ DRIVER'S LICENSE # \_\_\_\_\_  
3. ADDRESS OF CLAIMANT 15102 Starbuck Street, Whittier, CA 90603  
STREET CITY ZIP CODE  
TELEPHONE NO. HOME (562) 693-5762 BUSINESS N/A  
MAIL NOTICES TO: Philip A. Kraft, Esq., Richardson Fair & Cohen, 2601 S. Figueroa, LA, CA 90007  
STREET CITY ZIP CODE

4. IF THIS CLAIM IS MADE BY ONE PERSON ON BEHALF OF ANOTHER, STATE:  
(A) NAME N/A Male \_\_\_ Female \_\_\_ RELATIONSHIP \_\_\_\_\_  
(B) ADDRESS \_\_\_\_\_  
STREET CITY ZIP CODE

5. IF PERSON INJURED OR DAMAGED IS A MINOR, STATE BIRTH DATE: N/A

6. NAME AND ADDRESS OF ATTORNEY (REGARDING THIS CLAIM) Philip A. Kraft, Esq.  
Richardson, Fair & Cohen, 2601 S. Figueroa Street, Los Angeles, CA 90007  
STREET CITY ZIP CODE

7. WHEN DID INCIDENT OCCUR? DATE: 06/19/2019 TIME: Unknown

8. PLACE OF OCCURRENCE OR INCIDENCE: (DESCRIBE FULLY AND DRAW DIAGRAM ON SEPARATE PAGE IF NECESSARY) See Plaintiff's Complaint (Attached)  
On information and belief, 15102 Starbuck Street, Whittier, CA 90603

9. GENERAL DESCRIPTION OF INJURY, DAMAGE OR LOSS: See Plaintiff's Complaint (Attached)  
On information and belief, unknown personal injuries alleged to have been suffered by Plaintiff, Laura Freeman

10. IF BASIS OF CLAIM IS ALLEGED TO BE AN ACT/OMISSION OF A CITY OFFICER OR EMPLOYEE:  
(A) NAME OF OFFICER OR EMPLOYEE, IF KNOWN Unknown  
(B) CLAIMANT'S STATEMENT OF THE BASIS OF SUCH OFFICER OR EMPLOYEES LIABILITY  
Unknown

NOTE: This is a claim for indemnity brought by a property owner related to an incident on a public sidewalk. The date of accrual is NOT the date of the incident itself, but the date of service pursuant to CGC 901. Claimant was served on 01/17/2020



11. IF BASIS OF CLAIM IS A "DANGEROUS OR DEFECTIVE CONDITION OF PUBLIC PROPERTY", COMPLETE THE FOLLOWING:

(A) PUBLIC PROPERTY ALLEGED TO BE DANGEROUS OR DEFECTIVE: \_\_\_\_\_

See Plaintiff's Complaint (Attached)

(B) DATE OF NOTIFICATION AND NAME OF CITY EMPLOYEE HAVING PRIOR KNOWLEDGE OF SUCH DANGEROUS CONDITION: Unknown

(C) GENERAL STATEMENT OF HOW ACCIDENT OR INCIDENT OCCURRED: \_\_\_\_\_

See Plaintiff's Complaint (Attached)

12. DAMAGES CLAIMED: Bodily Injury Unknown Property Damage Unknown Other Unknown

AMOUNT INCURRED TO DATE \$ Unknown TOTAL AMOUNT OF CLAIM \$ Unknown

13. IF BODILY INJURY CLAIM: Claim for indemnity only

(A) NAME AND ADDRESS OF PHYSICIAN: Unknown

STREET CITY ZIP CODE

(B) NAME AND ADDRESS OF HOSPITAL: Unknown

STREET CITY ZIP CODE

(C) NAME AND ADDRESS OF WITNESSES, IF ANY:

Unknown  
NAME STREET CITY ZIP CODE

NAME STREET CITY ZIP CODE

14 WAS INCIDENT INVESTIGATED BY POLICE? Unknown IF SO, WHAT CITY? \_\_\_\_\_

STATE PHYSICAL CONDITIONS SURROUNDING THE OCCURRENCE - WEATHER, ROAD, AND TRAFFIC CONDITIONS, ETC See Plaintiff's Complaint (Attached)

I DECLARE, UNDER PENALTY OF PERJURY, THAT I HAVE READ THE FOREGOING CLAIM AND THE PAPERS ATTACHED THERETO, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE

EXECUTED ON (DATE) 03/06/2020 AT Los Angeles, CA

SECTION 72 OF THE PENAL CODE PROVIDES: "EVERY PERSON WHO, WITH INTENT TO DEFRAUD, PRESENTS FOR ALLOWANCE OR FOR PAYMENT TO ANY STATE BOARD OR OFFICER, OR TO ANY COUNTY, CITY, DISTRICT, BOARD, OR OFFICER, AUTHORIZED TO ALLOW OR TO PAY THE SAME IF GENUINE. ANY FALSE OR FRAUDULENT CLAIM, BILL, ACCOUNT, VOUCHER, OR WRITING, IS GUILTY OF A FELONY"

SIGNED:  \_\_\_\_\_  
SIGNATURE OF CLAIMANT OR AGENT

Philip A. Kraft, Esq.  
PRINT NAME CLEARLY

Richardson, Fair & Cohen, 2601 S. Figueroa Street, Los Angeles, CA 90007  
ADDRESS OF CLAIMANT OR AGENT (STREET, CITY, ZIP CODE)

(213) 741-4528  
TELEPHONE NO OF CLAIMANT OR AGENT



**CARL WARREN & COMPANY**  
Claims Management and Solutions

CITY CLERK

2020 FEB 28 PM 1:06

20-591710-070

February 25, 2020

City of Whittier  
13230 Penn Street  
Whittier, CA 90602  
Attn: CITY CLERK

RE: Principal : CJPIA  
Member City : City of Santa Fe Springs  
D/Event : 07/23/2019  
Claimants : Ayied Salib and Bahaa Gerges  
Our File : 2007575

Dear Gentlepersons:

We are the claims administrators for the self-insured City of Santa Fe Springs. Attached is a copy of a claim received by the city for your review.

Since the City of Santa Fe Springs contracted with you for law enforcement activity, we are tendering this claim over to you to resolve. The City of Santa Fe Springs now requests indemnification for this case under the terms of the Contract. Please contact the claimant directly with your findings. Also, please note, we have provided the claimant with your contact information.

Please confirm receipt of this claim by signing the acknowledgement block below and returning it to the undersigned.

Very Truly Yours,

CARL WARREN & CO.  
**Mel Zapf**  
Mel Zapf  
Claims Examiner

ACKNOWLEDGED: \_\_\_\_\_  
DATED: \_\_\_\_\_

Enc: Copy of Claim

Cc: City of Santa Fe Springs, attn: Maribel Garcia





# Claim Against The City of Santa Fe Springs For Damages to Persons or Property

RECEIVED  
 City Clerk's Office  
 Office Use Only  
 JAN 21 2020  
 City of Santa Fe Springs  
 Received By

Claims for death, injury to person or to personal property must be filed no later than six months after the occurrence. (Gov. Code, Sec. 911.2) Claims for damages to real property must be filed no later than one year after the occurrence (Gov. Code, Sec 911.2)

*NOTE: Please verify that your claim is against the City of Santa Fe Springs and not another public agency.*

The undersigned respectively submits the following claim and information relative to damage to persons and/or personal property.

**1. Claimant Personal Information**

- a. Name Ayied Zakhary Beshy Salib
- b. Address 9854 Alondra Blvd. Bellflower, CA 90706  
Street City State Zip
- c. Phone # (323) 838-1444
- d. Social Security # \_\_\_\_\_
- e. Date of Birth \_\_\_\_\_
- f. Drivers License # \_\_\_\_\_

g. Alternate name and address to which Claimant desires correspondence sent – if other than above.  
Mendez & Sanchez, APC 5440 E. Beverly Blvd. Los Angeles, CA 90022

**2. Please Provide Information about the Occurrence or Event From Which the Claim Arises:**

- a. Date 7/23/2019  
Month - Day - Year
- b. Time 10:15 PM  
Please Note AM or PM

c. Place Santa Fe Springs Road at Los Nietos Road, Santa Fe Springs, CA  
Example: Stairway at northeast corner of parking lot located at (street number / name and cross streets).

**3. Describe How, and Under What Circumstances, the Alleged Damage or Injury Occurred.**

I was traveling south bound on Santa Fe Springs Road  
crossing the intersection on a solid green light, when  
Paul Ramiro Salazar made a left turn in front of me  
causing the collision.

Please complete additional questions on reverse side of this claim form.

4. What Particular Action by the City (or its Employees) Caused the Alleged Damage or Injury?

Paul Ramiro Salazar (uniformed officer) negligently operated his vehicle causing collision.

5. Briefly Describe the Injury, Property Damage or Loss, so far as is Known at the Time of this Claim. If There Were no Injuries, Please State "No Injuries".

I sustained bodily injuries and Property damage to 2000 Toyota Camry.

6. If Known, List the Name(s) of the City Employee(s) Causing the Damage or Injury.

Paul Ramiro Salazar

7. List the Name(s) Address(s) of Any Other Person(s) Injured.

Ahmed Zakhary Beshy Salib

8. List the Name and Address of the Owner of Any Damaged Property.

Bahaa Youssef Sali Georges

9. Write the amount (dollar value) of the claim for the alleged damage or injury. Include copies of all invoices, receipts, estimates, etc.

\$ 500,000.00

10. List Names and Addresses of any Witnesses, Doctors and/or Hospitals.

None

11. On a Separate Sheet of Paper, Please Provide any Additional Information that Might be Helpful in Considering this Claim.

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM (California Penal Code 72; Insurance Code 556.1)

ASB  
Signature of Claimant

9-27-2019  
Date



# Claim Against The City of Santa Fe Springs For Damages to Persons or Property

Office Use Only  
**RECEIVED**  
City Clerk's Office  
  
JAN 21 2020  
  
Received By  
**City of Santa Fe Springs**

Claims for death, injury to person or to personal property must be filed no later than six months after the occurrence. (Gov. Code, Sec. 911.2) Claims for damages to real property must be filed no later than one year after the occurrence (Gov. Code, Sec 911.2)

*NOTE: Please verify that your claim is against the City of Santa Fe Springs and not another public agency.*

The undersigned respectively submits the following claim and information relative to damage to persons and/or personal property.

### 1. Claimant Personal Information

- a. Name Bahaa Youssef Sali Gerges
- b. Address 9854 Alondra Blvd. Bellflower, CA 90706  
Street City State Zip
- c. Phone # (323) 838-1444 d. Social Security # \_\_\_\_\_
- e. Date of Birth \_\_\_\_\_ f. Drivers License # \_\_\_\_\_  
Month - Day - Year
- g. Alternate name and address to which Claimant desires correspondence sent – if other than above.  
5440 E. Beverly Blvd. Los Angeles, CA 90022

### 2. Please Provide Information about the Occurrence or Event From Which the Claim Arises.

- a. Date 7/23/2019  
Month - Day - Year
- b. Time 10:15 Pm  
Please Note AM or PM
- c. Place Santa Fe Springs Rd. at Los Nietos Rd. Santa Fe Springs, CA.  
Example: Stairway at northeast corner of parking lot located at (street number / name and cross streets).

### 3. Describe How, and Under What Circumstances, the Alleged Damage or Injury Occurred.

My vehicle was struck in a motor vehicle accident by Officer Paul Ramiro Salazar.

Please complete additional questions on reverse side of this claim form.

4. What Particular Action by the City (or its Employees) Caused the Alleged Damage or Injury?

Officer Paul Ramiro Salazar (uniformed officer) negligently  
operated his vehicle causing collision.

5. Briefly Describe the Injury, Property Damage or Loss, so far as is Known at the Time of this Claim. If There Were no Injuries, Please State "No Injuries".

Damage to my 2000 Toyota Camry.

6. If Known, List the Name(s) of the City Employee(s) Causing the Damage or Injury.

Officer Paul Ramiro Salazar

7. List the Name(s) Address(s) of Any Other Person(s) Injured.

Anied Zakhary Beshy Salib

8. List the Name and Address of the Owner of Any Damaged Property.

Bahaa Youssef Sali Gerges

9. Write the amount (dollar value) of the claim for the alleged damage or injury. Include copies of all invoices, receipts, estimates, etc.

\$ 6,500.00 (Est.)

10. List Names and Addresses of any Witnesses, Doctors and/or Hospitals.

None

11. On a Separate Sheet of Paper, Please Provide any Additional Information that Might be Helpful in Considering this Claim.

**WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE CLAIM  
(California Penal Code 72; Insurance Code 556.1)**

Bahaa Gerges

Signature of Claimant

9-27-2019

Date



CITY OF WHITTIER  
2020 MAR -5 PM 2:25

Instructions: READ ENTIRE FORM BEFORE COMPLETING.  
FILE WITH CITY CLERK, CITY HALL, 13230 PENN STREET WHITTIER, CA 90602  
CLAIMS FOR DEATH, INJURY TO PERSON OR TO PERSONAL PROPERTY MUST  
BE FILED NO LATER THAN SIX (6) MONTHS AFTER THE OCCURRENCE.  
(GOV'T CODE SECTION 911.2)  
CLAIMS FOR DAMAGES TO REAL PROPERTY MUST BE FILED NOT LATER THAN  
ONE (1) YEAR AFTER THE OCCURRENCE. (GOV'T CODE SECTION 911.2)

THE UNDERSIGNED HEREBY PRESENTS THE FOLLOWING CLAIM TO THE CITY OF WHITTIER IN  
ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

1. NAME OF CLAIMANT: CHARLES N. GOUDEAU III BIRTHDATE \_\_\_\_\_  
2. MALE  FEMALE \_\_\_\_\_ SOCIAL SECURITY NO. \_\_\_\_\_ DRIVER'S LICENSE # \_\_\_\_\_  
3. ADDRESS OF CLAIMANT 13606 FARLAM DRIVE #6 WHITTIER 90602  
STREET CITY ZIP CODE  
TELEPHONE NO. HOME 747-257-7729 BUSINESS \_\_\_\_\_  
MAIL NOTICES TO: \_\_\_\_\_  
STREET CITY ZIP CODE

4. IF THIS CLAIM IS MADE BY ONE PERSON ON BEHALF OF ANOTHER, STATE:  
(A) NAME \_\_\_\_\_ Male \_\_\_\_\_ Female \_\_\_\_\_ RELATIONSHIP \_\_\_\_\_  
(B) ADDRESS \_\_\_\_\_  
STREET CITY ZIP CODE

5. IF PERSON INJURED OR DAMAGED IS A MINOR, STATE BIRTH DATE: \_\_\_\_\_  
6. NAME AND ADDRESS OF ATTORNEY (REGARDING THIS CLAIM) \_\_\_\_\_  
STREET CITY ZIP CODE

7. WHEN DID INCIDENT OCCUR? DATE: 2-22-2020 TIME: ?

8. PLACE OF OCCURRENCE OR INCIDENCE: (DESCRIBE FULLY AND DRAW DIAGRAM ON  
SEPARATE PAGE IF NECESSARY) MY WIFE HAD A PSYCHOTIC EPISODE - RESULTING IN HER  
FILING A <sup>TEMP</sup> PROTECTIVE ORDER AGAINST ME. I WAS UNDER DISPATCH, BUT HAD A FAVOR  
WINDEN. I DROVE FROM ONTARIO TO WHITTIER TO EXCHANGE MY OTHER VEHICLE DUE TO

9. GENERAL DESCRIPTION OF INJURY, DAMAGE OR LOSS: IMPOUND FEE \$159.00

10. IF BASIS OF CLAIM IS ALLEGED TO BE AN ACT/OMISSION OF A CITY OFFICER OR EMPLOYEE:  
(A) NAME OF OFFICER OR EMPLOYEE, IF KNOWN \_\_\_\_\_  
(B) CLAIMANT'S STATEMENT OF THE BASIS OF SUCH OFFICER OR EMPLOYEES LIABILITY \_\_\_\_\_

11. IF BASIS OF CLAIM IS A "DANGEROUS OR DEFECTIVE CONDITION OF PUBLIC PROPERTY", COMPLETE THE FOLLOWING:

- (A) PUBLIC PROPERTY ALLEGED TO BE DANGEROUS OR DEFECTIVE: \_\_\_\_\_
- (B) DATE OF NOTIFICATION AND NAME OF CITY EMPLOYEE HAVING PRIOR KNOWLEDGE OF SUCH DANGEROUS CONDITION: \_\_\_\_\_
- (C) GENERAL STATEMENT OF HOW ACCIDENT OR INCIDENT OCCURRED: \_\_\_\_\_

12. DAMAGES CLAIMED: Bodily Injury \_\_\_\_\_ Property Damage \_\_\_\_\_ Other \_\_\_\_\_  
 AMOUNT INCURRED TO DATE \$ \_\_\_\_\_ TOTAL AMOUNT OF CLAIM \$ 16900

13. IF BODILY INJURY CLAIM:

(A) NAME AND ADDRESS OF PHYSICIAN: \_\_\_\_\_

STREET	CITY	ZIP CODE
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(B) NAME AND ADDRESS OF HOSPITAL: \_\_\_\_\_

STREET	CITY	ZIP CODE
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(C) NAME AND ADDRESS OF WITNESSES, IF ANY:

NAME	STREET	CITY	ZIP CODE
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NAME	STREET	CITY	ZIP CODE
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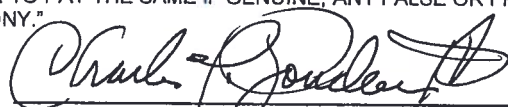
14. WAS INCIDENT INVESTIGATED BY POLICE? \_\_\_\_\_ IF SO, WHAT CITY? \_\_\_\_\_

STATE PHYSICAL CONDITIONS SURROUNDING THE OCCURRENCE – WEATHER, ROAD, AND TRAFFIC CONDITIONS, ETC. \_\_\_\_\_

I DECLARE, UNDER PENALTY OF PERJURY, THAT I HAVE READ THE FOREGOING CLAIM AND THE PAPERS ATTACHED THERETO, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

EXECUTED ON (DATE) 3-5-2020 AT 2:25p 14:25

SECTION 72 OF THE PENAL CODE PROVIDES: "EVERY PERSON WHO, WITH INTENT TO DEFRAUD, PRESENTS FOR ALLOWANCE OR FOR PAYMENT TO ANY STATE BOARD OR OFFICER, OR TO ANY COUNTY, CITY, DISTRICT, BOARD, OR OFFICER, AUTHORIZED TO ALLOW OR TO PAY THE SAME IF GENUINE, ANY FALSE OR FRAUDULENT CLAIM, BILL, ACCOUNT, VOUCHER, OR WRITING, IS GUILTY OF A FELONY."

SIGNED:   
SIGNATURE OF CLAIMANT OR AGENT

CHARLES N. GOUDEAU III  
PRINT NAME CLEARLY

13605 EARLHAM DR #16, WHITTIER, CA 90602  
ADDRESS OF CLAIMANT OR AGENT (STREET, CITY, ZIP CODE)

747-257-7729  
TELEPHONE NO. OF CLAIMANT OR AGENT



# Agenda Report

City Council

**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Monica Lo, Director of Administrative Services  
Yolanda Martinez, Human Resources/Risk Manager

**Subject:** Extension of Declaration of Local Emergency due to COVID-19

## **RECOMMENDATION**

Ratify the extension of emergency declaration and continue the resolution for another 60 days by adopting Resolution No. 2020-25 confirming extension of a local emergency.

## **BACKGROUND**

On March 17, 2020, the City Manager declared a local state of emergency due to the state and nationwide impacts of the novel coronavirus COVID19. The City's Emergency Powers were enacted through Ordinance No. 2309 and contained in Whittier Municipal Code Chapter 2.44. The code requires the City Council's ratification of a declaration of emergency within 7 days of the City Manager's declaration. On March 24, 2020, the City Council adopted resolution 2020-15 ratifying the local emergency declaration. The government code requires the City Council re-assess the situation every 60 days and cancel or extend the local emergency.

## **DISCUSSION**

The attached resolution extends the City Council's previous resolution 2020-15 as required by Government Code Section 8630(c) for the maximum 60 days per extension (ATTACHMENT C). It also continues to authorize the increased signature authority of the City Manager from \$50,000 to \$100,000 for the general operation of City contracts and services not covered under Section 2450.5(a)(6) of Ordinance No. 2309. The extension also includes language requesting the Governor to recognize the local emergency and waive regulations that may hinder response and recovery efforts, and that recovery assistance be made available under the California Disaster Assistance Act, as well as through other applicable State and Federal programs.

While the Health Officer of Los Angeles County has begun efforts to lessen the restrictions imposed due to the health crisis, neither the State nor the County emergency declarations have been lifted. Local disruption due to the health crisis has not ceased and therefore, it is recommended that Council extend the declaration another 60 days.

## **FISCAL IMPACT**

There is no fiscal impact to the extension of the emergency proclamation, which may allow the City to submit for reimbursement expenses for costs related to the response to the emergency.

**Agenda Item No. 12.D.**

**ATTACHMENTS**

- A. City Manager Declaration
- B. Resolution No. 2020-15
- C. Resolution No. 2020-25



**RESOLUTION NO. 2020-13  
RESOLUTION PROCLAIMING EXISTENCE OF A LOCAL EMERGENCY**

WHEREAS, Chapter 2.44 of the City of Whittier’s Municipal Code empowers the City Manager to proclaim the existence or threatened existence of a local emergency when said city is affected or likely to be affected by a public calamity and the City Council is not in session; and

WHEREAS, said City Manager does hereby find:

That conditions of extreme peril to the safety of persons and property have arisen within said city, caused by novel coronavirus known as COVID 19, and subsequent State and Federal Declarations of Emergency; commencing on or about the 1<sup>st</sup> day of March, 2020; and

That the City Council of the City of Whittier is not in session (and cannot immediately be called into session);

NOW, THEREFORE, IT IS HEREBY PROCLAIMED that a local emergency now exists throughout the City of Whittier; and

IT IS HEREBY FURTHER PROCLAIMED AND ORDERED that during the existence of said local emergency the powers, functions, and duties of the emergency organization of this city shall be those prescribed by state law, by ordinances, and resolutions of this city and approved by the City Council on September 20, 1983.

IT IS FURTHER PROCLAIMED AND ORDERED that said local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of Whittier, State of California.\*

Dated: March 17, 2020

Director of Emergency Services

ATTEST: [Signature]

City of Whittier  
[Signature]  
BRIAN SAEKI

\* Section 8630 of the Government Code provides: "...The governing body shall review, at least every 21 days until such local emergency is terminated, the need for continuing the local emergency and shall proclaim the termination of such local emergency at the earliest possible date that conditions warrant."

RESOLUTION NO. 2020-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, CALIFORNIA, CONFIRMING EXISTENCE OF A LOCAL EMERGENCY

RECITALS

- A. Ordinance No. 2309 of the City of Whittier empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency when said city is affected or likely to be affected by a public calamity and the City Council is not in session, subject to ratification by the City Council within seven days.
- B. Conditions of extreme peril to the safety of persons and property have arisen within said city, caused by novel coronavirus known as COVID 19, and subsequent State and Federal Declarations of Emergency; commencing on or about the 1<sup>st</sup> day of March, 2020.
- C. On March 17, 2020, the City Council of the City of Whittier was not in session and could not immediately be called into session prompting the Director of Emergency Services to proclaim and order the existence of a local emergency through the passage of Resolution No. 2020-13.
- D. City Council does hereby find that the aforesaid conditions of extreme peril did warrant and necessitate the proclamation of the existence of a local emergency.
- E. Whereas Section 2450.5(a)(6) of Ordinance No. 2309 empowers the Director of Emergency Services to obtain vital supplies, services and other properties related to the proclaimed local emergency.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED:

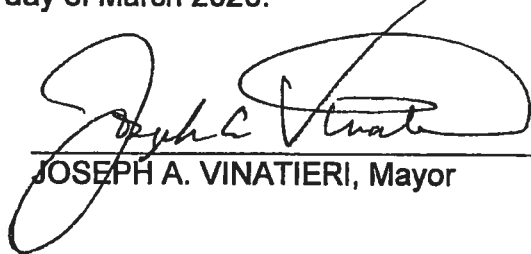
SECTION 1. The above recitals are true and correct and are a substantial part of this resolution.

SECTION 2. That said local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of Whittier, State of California.

SECTION 3. That due to the nature of COVID 19, and in anticipation of reduced meetings and/or staff availability, the City Council finds it beneficial and necessary to temporarily increase the Director of Emergency Services purchasing authority from \$50,000 to \$100,000 for the general operation of City contracts and services not covered under Section 2450.5(a)(6) of Ordinance No. 2309. The temporary increase shall be in effect until the City Council deems the local emergency terminated.

SECTION 4. The City Clerk shall certify to the passage and adoption hereof.

APPROVED AND ADOPTED this 24<sup>th</sup> day of March 2020.



\_\_\_\_\_  
 JOSEPH A. VINATIERI, Mayor

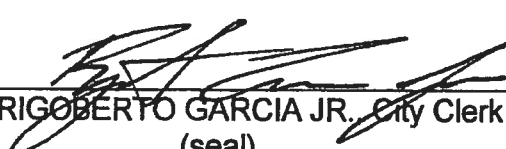
ATTEST:



\_\_\_\_\_  
 RIGOBERTO GARCIA JR., City Clerk  
 (seal)

I CERTIFY THAT THE FOREGOING RESOLUTION NO. 2020-15 was passed and adopted by the City Council of the City of Whittier at the regular meeting held on the 24th day of March 2020, by the following vote:

AYES:	5	Council Members:	Vinatieri, Dutra, Bouchot, Warner, Alvarado
NOES:	0		
ABSTAIN:	0		
ABSENT:	0		



\_\_\_\_\_  
 RIGOBERTO GARCIA JR., City Clerk  
 (seal)

I HEREBY CERTIFY THIS TO BE A TRUE AND CORRECT COPY OF THE ORIGINAL DOCUMENT ON FILE WITH THE CITY OF WHITTIER. WITNESS MY HAND AND THE OFFICIAL SEAL OF THE CITY OF WHITTIER THIS 25<sup>th</sup> DAY OF March, 2020



\_\_\_\_\_  
 CITY CLERK

RESOLUTION NO. 2020-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, CALIFORNIA, CONFIRMING EXTENSION OF A LOCAL EMERGENCY

RECITALS

- A. Ordinance No. 2309 of the City of Whittier empowers the Director of Emergency Services to proclaim the existence or threatened existence of a local emergency when said city is affected or likely to be affected by a public calamity and the City Council is not in session, subject to ratification by the City Council within seven days.
- B. Conditions of extreme peril to the safety of persons and property have arisen within said city, caused by novel coronavirus known as COVID 19, and subsequent State and Federal Declarations of Emergency; commencing on or about the 1<sup>st</sup> day of March, 2020.
- C. On March 17, 2020, the City Council of the City of Whittier was not in session and could not immediately be called into session prompting the Director of Emergency Services to proclaim and order the existence of a local emergency through the passage of Resolution No. 2020-13.
- D. City Council did previously hereby find that the aforesaid conditions of extreme peril did warrant and necessitate the proclamation of the existence of a local emergency on March 24, 2020 through the passage of Resolution 2020-15
- E. City Council does hereby find that the aforesaid conditions of extreme peril continue to exist, and warrant and necessitate the reissuance of a proclamation of the existence of a local emergency.
- F. Whereas Section 2450.5(a)(6) of Ordinance No. 2309 empowers the Director of Emergency Services to obtain vital supplies, services and other properties related to the proclaimed local emergency.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED AND ORDERED:

SECTION 1. The above recitals are true and correct and are a substantial part of this resolution.

SECTION 2. That said local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of Whittier, State of California.

SECTION 3. That due to the nature of COVID 19, and in anticipation of reduced meetings and/or staff availability, the City Council finds it beneficial and necessary to temporarily increase the Director of Emergency Services purchasing authority from \$50,000 to \$100,000 for the general operation of City contracts and services not covered under Section 2450.5(a)(6) of Ordinance No. 2309. The temporary increase shall be in effect until the City Council deems the local emergency terminated.

SECTION 4. Therefore, we respectfully request that our Governor, pursuant to the Emergency Services Act, issue a proclamation declaring an emergency in the City of Whittier under Los Angeles County, that the Governor waive regulations that may hinder response and recovery efforts, that response and recovery assistance be made available under the California Disaster Assistance Act, and that the State expedite access to State and Federal resources and any other appropriate Federal disaster relief programs.

SECTION 5. The City Clerk shall certify to the passage and adoption hereof.

APPROVED AND ADOPTED this 12th day of May 2020.

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JOSEPH A. VINATIERI, Mayor

ATTEST:

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RIGOBERTO GARCIA JR., City Clerk  
(seal)





# Agenda Report

City Council

**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Jeffery S. Adams, Director of Community Development  
Don Dooley, Planning Services Manager  
Sonya Lui, Principal Planner

**Subject:** 2018-2019 General Plan Progress Report

## **RECOMMENDATION**

Receive and file the 2018-2019 General Plan Annual Progress Report and direct staff to forward a copy to the Governor's Office of Planning and Research and the State Department of Housing and Community Development.

## **BACKGROUND**

Government Code Section 65400(b) requires that an annual General Plan Progress Report be provided by the local legislative body to the Governor's Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD). The annual report discusses the City's progress in implementing the Whittier General Plan between October 1, 2018, and September 30, 2019. The annual report gives OPR the opportunity to identify statewide trends in land use decision making and how local planning and development activities relate to statewide planning goals and policies. It also enables OPR to track progress on Whittier's comprehensive General Plan. Providing a copy of the annual report to HCD fulfills statutory requirements to report certain housing information, including the local agency's progress in meeting its share of regional housing needs and local efforts to remove governmental constraints to the development of housing.

## **DISCUSSION**

On March 16, 2020, the Planning Commission reviewed the 2018-2019 General Plan Annual Progress Report and did not make any revisions to the report. The Planning Commission voted unanimously to recommend that the City Council receive and file the report and direct staff to forward a copy to the Governor's Office of Planning and Research and the State Department of Housing and Community Development.

## **FISCAL IMPACT**

There is no fiscal impact associated with this report. As of June 30, 2019, the General Plan reserve is \$450,992.

**ATTACHMENTS**

- A. 2018-2019 General Plan Annual Progress Report
- B. Annual Element Progress Report Forms and Tables





**2018 – 2019 GENERAL PLAN ANNUAL PROGRESS REPORT**

**COMMUNITY DEVELOPMENT DEPARTMENT  
PLANNING DIVISION**

**MARCH 16, 2020**

**BACKGROUND**

State law requires that each City adopt a general plan that incorporates the seven mandated elements required by California planning and zoning law. While additional elements may be adopted for inclusion within a local general plan, they are considered optional elements.

In order for each city to keep its general plan elements current, as required by State law, comprehensive updates and amendments are completed to each general plan element. Comprehensive updates are usually recommended every ten years to evaluate underlying local conditions and broad city policy preferences for future development and growth in a community. Amendments, however, are typically smaller in scope and normally involve minor changes to the text of a general plan element that do not necessarily have broad public policy implications. Amendments are typically triggered by a change in State law, public needs or by policy direction from the City Council. All changes to the General Plan require a public hearing before the Planning Commission and the City Council.

On August 3, 1993, the Whittier City Council adopted the City’s current General Plan. The Whittier General Plan contains eight elements: Land Use, Housing, Transportation, Environmental Resource Management, Air Quality, Public Safety, Noise and Historical Resources. Table 1 shows the status of the City’s General Plan elements, including both State mandated and optional elements.

**Table 1. General Plan Element Status**

<b>Element</b>	<b>Date of Adoption</b>	<b>Required or Optional</b>	<b>Dates of Element Amendments Since Original Adoption</b>	<b>Comment</b>
Land-Use	1993	Required	July 12, 2005 (Amended August 9, 2011 and August 27, 2015)	Adoption of the Whittier Boulevard Specific Plan

Element	Date of Adoption	Required or Optional	Dates of Element Amendments Since Original Adoption	Comment
Land-Use			<p>May 18, 2006</p> <p>November 18, 2008</p> <p>June 25, 2015</p>	<p>The City Council approved General Plan Amendment 06-001 on May 18, 2006, to permit exceptions to the City’s minimum residential density requirements in the City’s R-2 (Light Multiple Residential); R-3 (Medium Multiple Residential); and R-4 (Heavy Multiple Residential) Zones.</p> <p>Comprehensive update to the Uptown Whittier Specific Plan</p> <p>The City Council approved General Plan Amendment No. GPA14-001 on May 26, 2015, to change the land use designation from General Commercial to Medium High Density Residential at the northwest corner of Hadley Street and Magnolia Avenue, located at 11757 Hadley Street.</p>

Element	Date of Adoption	Required or Optional	Dates of Element Amendments Since Original Adoption	Comment
			December 13, 2016	The City Council approved General Plan Amendment No. GPA15-001 on November 9, 2016, to change the land use designation from General Commercial and Low Density Residential to Medium-High Density Residential at the northwest corner of Workman Mill Road and Davidson Drive, specifically at 5360 Workman Mill Road and 5303 Davidson Drive.
Housing	2009	Required	Adopted on December 10, 2013. Element was State certified on February 6, 2014.	The Housing Element was updated for the Planning period 2014 - 2021 to comply with its Regional Housing Needs Assessment (RHNA) requirements and adopted by the City Council on December 10, 2013 with State certification obtained on February 6, 2014.
Transportation	1993	Required	None	
Environmental Resource Management Element	1993	Required	None	
Air Quality	1993	Required	None	
Public Safety	1993	Required	None	
Noise Element	1993	Required	None	

Historical Resources	1993	Optional	None	
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As required by Government Code Section 65400(b)(1), every city must submit an annual General Plan Progress Report to their local legislative body, the Governor’s *Office of Planning and Research (OPR)*, and the *Department of Housing and Community Development (HCD)* on the implementation status of their General Plan. The annual report must also include discussion on the City’s progress in providing its required share of affordable housing, pursuant to Government Code Section 65584, and its effort to remove governmental barriers for the maintenance, improvement and development of affordable housing per Section 65583.c(3) of the California Government Code.

General Plan Update

The City of Whittier is in the process of comprehensively updating its General Plan, with the exception of the Housing Element, which was last updated in 2013. To date, the City has completed a number of public workshops and community meetings that includes participation by residents, businesses and various stakeholders. It is anticipated that the General Plan update will be completed during Fiscal Year 2020-2021. The City will also begin updating its Housing Element in 2020.

This report covers the planning period October 1, 2018, through September 30, 2019.

**STATUS OF GENERAL PLAN IMPLEMENTATION**

Land Use Element

The Land-Use Element serves as a guide for decision-making regarding land-use issues and future development. Specific goals and policies are provided to correspond to major land-use issues of concern including: compatibility, residential, commercial and industrial uses, parks and open space areas.

The City of Whittier is considered a developed community comprised mostly of single-family residential neighborhoods, with its predominant commercial and industrial uses situated along several major roadways. As a developed community, any future development in the City would occur as in-fill, redevelopment or adaptive re-use.

In 1993, an updated Land-Use Element was adopted as part of the City’s comprehensive General Plan update. Since its adoption, the City has processed a variety of new land-use developments.

From October 1, 2018, through September 30, 2019, the City of Whittier adopted one zoning code amendment including:

Zoning Code Amendment No. 18-001 (City initiated) – To provide enhanced operational standards for recycling facilities located citywide (Adopted May 28, 2019).

### **Housing Element**

The City's certified Housing Element for the period 2014-2021 was substantially reformatted and revised in content from its 2006-2014 Housing Element to reflect the City's current housing policy direction and applicable requirements of State law.

A key requirement in every housing element is the regional housing needs goal. Every eight years, SCAG assigns each city its housing goal as part of the Regional Housing Needs Assessment (RHNA). According to the RHNA, Whittier must accommodate 878 new units at four affordability levels: 228 very low-income units, 135 low-income units, 146 moderate-income units and 369 above moderate-income units. These planning goals are for an 8-year period of time, commencing from 2014 through 2021.

In a continuing effort to provide housing assistance within the community, the City of Whittier and the Whittier Housing Authority (formerly the Whittier Redevelopment Agency) sponsored a number of housing programs, which have been implemented by the Economic Development and Housing Division of the Community Development Department. The Whittier Redevelopment Agency was a separate legal entity established in the early 1970's to eliminate blight and improve infrastructure within Whittier's four redevelopment project areas. It also assisted low and moderate-income families to secure decent, safe, and sanitary housing at affordable prices. The Whittier Redevelopment Agency was dissolved under State law on February 1, 2012. The Whittier Redevelopment Successor Agency is now charged with winding down the affairs of the former redevelopment agency, while certain housing functions formerly administered by the Whittier Redevelopment Agency have been transition to the Whittier Housing Authority.

The focus of the Economic Development and Housing Division is to: provide financial assistance in the form of low cost home improvement programs, provide essential public services, stimulate the revitalization of older declining neighborhoods; and, monitor the modernization of essential infrastructure in neighborhoods with a high concentration of low-moderate income residents.

Share of Regional Housing Need - The City's Housing Element identifies Whittier's housing goals and objectives. The City's share of affordable housing units is determined by a Regional Housing Needs Assessment (RHNA) conducted by the Southern California Association of Governments (SCAG). Table No. 2 (below)

identifies the specific number and type of affordable housing units to be made available for development within the City of Whittier from 2014 to 2021. The identification of affordability type is categorized as “Very Low” (less than 50 percent of Los Angeles County median income), “Low” (50-80 percent of L.A. County median income), “Moderate” (80-120 percent of L.A. County median income), and “Above Moderate” (greater than 120 percent of L.A. County median income). However, the actual affordability is based on many factors including, but not limited to: household income, sales price, financing terms, required down payment, permitted debt ratio; and, household size (number of persons in a family).

Housing Element Update – The City’s current Housing Element was adopted on October 14, 2013, and certified by the California Department of Housing and Community Development (HCD) for the Planning Period 2014-2021.

Listed below are the City’s RHNA requirements established for the Planning Period of 2014 to 2021.

**Table 2. City of Whittier – Regional Housing Needs (2014-2021)**

<b>Income Category</b>	<b>Definition</b>	<b>Housing Units</b>	<b>Percent of Total</b>
Extremely Low	30% or less of MFI	114	13%
Very Low*	31-50% of MFI	114	13%
Low	51-80% of MFI	135	15%
Moderate	81-120% of MFI	146	17%
Above Moderate	Above 120% of MFI	369	42.0%
<b>TOTAL</b>		<b>878</b>	<b>100%</b>

Source: Southern California Association of Governments

\*Although the RHNA did not originally contain an extremely low income category, HCD requires that such a category be included and allows it to be half the original very low income estimate. Therefore, the original 228 unit allocation was divided in half to accommodate the requirement.

Under the 2005 *Whittier Boulevard Specific Plan*, up to 1,490 new units are anticipated to be constructed along Whittier Boulevard through mixed-use development provisions and by taking advantage of development opportunity sites (i.e., former auto dealership sites) to provide new housing in Whittier. The matrix below identifies multi-family residential projects that are under construction:

**Table 3. City of Whittier – Multi-Family Residential Projects Under Construction**

<b>Project Address</b>	<b>Name of Development</b>	<b>Housing Units</b>	<b>Type of Housing</b>
5303 - 5315 Davidson Drive	ICC Site – Hadley Trails	32	Market Rate Ownership Units
11757 Hadley Street	Cambridge Place	32	Market Rate Ownership Units
14640 Whittier Boulevard	Park Place	50	Market Rate Rental Units

14339 Whittier Boulevard	Catalina Apartments	76	Market Rate Rental Units
<b>TOTAL</b>		<b>190</b>	

Additional housing stock is also anticipated elsewhere in the City, particularly within the *Uptown Whittier Specific Plan* which permits up to 1,035 new dwelling units and the *Lincoln Specific Plan* which provides for up to 750 new dwelling units. Therefore, the City of Whittier is actively in the process of trying to create new housing units for all socio-economic groups in the community.

For reference, included is the Annual Progress Report (APR) on Housing Element Implementation. The APR provides the current status and progress of implementing the housing element. It should be noted that the California Department of Housing and Community Development (HCD) issued a new APR form which is intended to help track Whittier’s housing production from the entitlement phase to final construction. As prescribed by HCD, the City completed the APR form which covers housing data the last calendar year only (January 2019 through December 2019). The APR report shows all the housing units currently in the development process.. The APR also contains on Table “D” – Program Implementation Status, intended to report on the 22 objectives found in the City’s adopted and certified 2014-2021 Housing Element.

Housing Objectives and Programs - The following further summarizes select aspects of the progress that the City has made toward achieving its Housing Element objectives and the development of specific housing programs:

- 1) **Assistance to the Salvation Army** (CDBG funded). The City has provided a small amount of grant funding to the Salvation Army Transitional Living Center to support transitional housing for homeless individuals.
  
- 2) **The Housing Rehabilitation Program** (CDBG and HOME funded) offers low-interest or no-interest loans to promote the improvement, rehabilitation and/or the preservation of housing units. The loans are often times paired with a grant for exterior beautification or lead-based paint removal. Improvements and repairs eligible under the Program include: lead-based paint testing and hazard reduction, electrical, heating, plumbing, roofing, stucco application, exterior and interior painting, windows, insulation, concrete driveway, kitchen and bathroom repairs, flooring, etc. Like the Minor Home Repair Grant Program, the Housing and Rehabilitation Program is available to low-income households earning no more than 80% of the area median income adjusted for family size. This Program funded zero loans in 2018-19. Between its inception and 2018-19, the HOME Investment Partnership Program funded a portion of the Home Improvement Loan Program (HILP) by assisting nearly 108 homeowners. Community Development Block Grant funds are also used for housing rehabilitation purposes.



From the Program's inception through 2018-19, the Community Development Block Grant Program funded a portion of the Housing Rehabilitation Program and assisted approximately 300 homeowners. In addition to the loans the City offers a Home Improvement Grant Program (HIGP) of up to \$12,500 primarily for more limited rehabilitation. Six households utilized the grant program in 2018-19.

- 3) The **Minor Home Repair Grant Program (MHRG)** (CDBG funded) is available to low-income families. It makes available grants of up to \$5,000 for minor home repairs including accessibility improvements for the disabled. The Program was initiated in Fiscal Year 2004-05. In Fiscal Year 2016-17, the City Council allocated CDBG funds to the Program. Additional amounts were also carried over from the prior fiscal year. The Program is operated by Habitat for Humanity (Habitat) and Southern California Rehabilitation Services (SCRS). The Habitat produced six grants during Fiscal Year 2018-19, while the SCRS Program, which focuses on accessibility improvements, was able to assist three (3) households during the same period.
- 4) The **Whole Child** (formerly funded by the Whittier Redevelopment Agency, now City funded) provided transitional housing and related support services to assist families and individuals to regain self-sufficiency. The City of Whittier provided annual funding in the amount of \$25,000 to the Whole Child for 2018-19. The Whole Child served 83 individuals from the City of Whittier in 2018-19. The Whole Child took over the services formerly provided by the Rio Hondo Temporary Home, which closed in 2011. The Whole Child transitioned programming from a single dorm-style facility to a scattered site model where individual housing units are leased by the Whole Child and provided to needy families.
- 5) The **Whittier Area First Day Coalition** (formerly funded by the Whittier Redevelopment Agency, now City funded) is a homeless shelter that opened in May 2000, and was funded with \$70,000 annually for 2018-19. In 2018-19, First Day provided housing for more than 125 individuals. The facility also provides related supportive services to help homeless individuals regain self-sufficiency.
- 6) The **Women's and Children Crisis Shelter** (formerly funded by the Whittier Redevelopment Agency, now City funded) provided temporary shelter, food, clothing, crisis intervention and advocacy for victims of domestic violence. For the 2018-19 the City of Whittier provided \$25,160 using housing Funds. In 2018-19 the facility gave shelter to 176 people along with support services to many others.

- 7) On June 9, 2009, the Whittier Redevelopment Agency Board approved the new **Affordable Home Ownership Program (AHOP)**. The AHOP, now run by the Whittier Housing Authority, is essentially a silent second loan that allows moderate income households to purchase a designated home at an affordable first mortgage amount that has been fixed by a pre-determined formula set by State Law. A modest portfolio of 33 AHOP units exist within the City and two units were resold under the AHOP during 2018-19.
- 8) On February 1, 2012, Assembly Bill X1 26 dissolved Redevelopment Agencies in California which resulted in the Whittier Redevelopment Agency transferring its remaining assets and liabilities to the Whittier Redevelopment Successor Agency and Whittier Housing Authority. Assembly Bill 1484 made further changes to the Redevelopment dissolution process on June 27, 2012. As a result, future affordable housing activities are anticipated to be severely curtailed.

**Circulation Element**

The Circulation Element defines the transportation needs of the City and presents a comprehensive transportation plan to accommodate those needs. The Element also focuses on identifying and evaluating local circulation needs, while balancing those needs with regional demands and mandates. The City of Whittier currently participates in local and regional transportation planning and decision-making by implementing the guidelines of the Los Angeles County Congestion Management Plan and conforming to the Los Angeles County Master Plan of Arterial Highways.

Through the Capital Improvement Programs (CIP), the City has undertaken various transportation projects from October 1, 2018, through September 30, 2019, as described in Table 4 below.

**Table 4. City of Whittier- Transportation Projects**

Project	Description
Gateway Cities Council of Governments-Strategic Transportation Plan	A regional project in which additional roadway improvements, transit facilities, and bike lanes are planned to provide congestion relief and improve air quality. No cost associated with the plan, as costs will depend on the actual capital improvements done within the region.
In-roadway lighted crosswalk	A lighted crosswalk was installed to improve safety for pedestrians crossing Hadley Street at Washington Avenue adjacent to the bus stop. The total construction cost for the project was

	\$135,000 using Gas Tax and Measure R funds.
Pavement Marking and Striping	An annual contract of approximately \$160,000 to refresh, repaint, and maintain our existing striping.
ADA Accessible Curb Ramps/Sidewalks Project	The funding for this fiscal year was carried over to FY19-20 for use in a larger citywide project.
Congestion Management Program (CMP)-2018 Conformance Self Certification	The CMP is a county wide program enacted by California to improve traffic congestion. The City of Whittier was deemed to be in conformance with the program by the local administering agency (Metro). No fiscal impacts.
Preferential Permit Parking Program	To manage on-street parking near Hellman Park, Turnbull Canyon, Whittier College, and the County Courthouse, the City approved three Preferential Parking Districts. The Public Works Division manages the permit parking program. Over 700 homes lie within these permit parking zones.
Street Name Signs	To comply with Federal sign reflective requirements and provide improved street name signage for the community, the sixth year of the city-wide street name replacement program was completed. The city uses various funds each year for an annual replacement budget of \$50,000.
Pavement Management System	This document is a city-wide policy document designed to aid in programming of roadway improvements by providing pavement conditions of roadways within the City. An interface is provided to the City for monitoring and analyzing data. The ongoing cost of keeping data current ranges annually from \$5,000 to \$15,000 paid for with Gas Tax funds.
Russel Street and Vicinity Project	This project consists of pavement improvements on Russel Street and various neighboring residential streets as part of the FY18-19 pavement

	rehabilitation program. The project design has been completed with expected construction in 2020.
Greenway Trail East Extension	This project consists of a 2.8 mile Class I Trail on a 15 foot easement between Mills Avenue and the east City limit. The project is funded with Federal Active Transportation Program (ATP) funds, Congestion Management and Air Quality (CMAQ) funds, various grants, Measure R, and Prop C local funds. The project design has been completed with expected construction in 2020.
Oak Station Trailhead Enhancements	This project included enhancement features to the Oak Station trailhead that ties into the Greenway Trail. The project included shade structures, new fencing, and decorative art pieces. The project was funded by Prop A and other grant funding sources.
<p>Metro Hot Spots Projects</p> <ul style="list-style-type: none"> <li>• Whittier Boulevard at Colima Road</li> <li>• Whittier Boulevard at Painter Avenue</li> <li>• Whittier Boulevard at Washington Blvd, Santa Fe Springs Road/Pickering Avenue, La Cuarta Street (5-Points)</li> </ul>	Whittier Boulevard at the following three intersections, Colima, Painter, and 5-Points are all in the design phase. Funding for the design and construction phase of these projects is supported with Regional Measure R funds provided to Gateway Cities COG. The projects are planned to increase capacity and delay at the intersections that lead to and from I-605.
Uptown Whittier Parking Structure	This project is in the construction phase with an expected completion of 2021. The project includes a 3.5 level parking structure which will provide 351 parking stalls. The project is funded by redevelopment bond funds.
Countdown Signals	Installation of pedestrian countdown signal improvements at 41 intersections to improve pedestrian safety. The total construction cost is \$327,496 utilizing HSIP grant funding and Measure R funds.
Lambert Road TSSP	Updating of traffic signals on Lambert Road from Washington Boulevard to Sugargrove Drive/Grayling Avenue in

	LA County jurisdiction funded through Metro Prop C 25% funds. The project design has been completed with expected construction in 2020.
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### **Environmental Resources Management Element**

The Environmental Resources Management Element (ERME) combines the mandated Conservation and Open Space Elements. This Element identifies environmental resources within the City and establishes a plan for their conservation, management, and preservation.

The City is working toward upgrading all city-operated irrigation systems to conserve water. Sixteen municipal sites have been upgraded to become part of a centralized “smart” irrigation system which, among many features, shuts off irrigation valves automatically. As funds become available, additional municipal sites will be upgraded to “smart” systems and added to the central system.

Construction of the 4.75-mile Greenway Trail was completed in November 2009. The Greenway Trail landscaping is comprised of drought tolerant plant material along its entire length. Landscape enhancements were added in 2011-2012 with the priority being areas that interfaced with roadways. This has been an ongoing priority and in 2014-15 was heightened with the addition of trellis fencing and screening landscaping at key points for residential privacy and as a graffiti deterrent. The Trail has eight educational stations, including a 6,000-square foot demonstration garden at Laurel Station. At Mills Avenue and Lambert Road, the City opened a 22-car parking lot, which contains a three-piece art display, a shade structure, a drinking fountain, and a new Information Station. At the end of 2016 the Greenway Trail Taskforce was created to begin the process of extending the Trail east from Mills Avenue to the city limits, east of First Avenue. The City has approved construction plans for the Trail extension, with the project scheduled to begin in the summer of 2020.

In late 2017, the Whittier City Council voted to purchase a 13,873-square-foot vacant lot adjacent to Lee Owens Park which will enable expansion of the park by 20 percent. The Lee Owens Park extension will include a new recirculating splash pad water feature, new playground equipment, and will have a concrete walking path through the facility. Project plans have been completed and project is scheduled for completion summer of 2020.

The City maintains 19 parks which encompass over 129 acres, including the first Dog Park installed adjacent to the Greenway Trail in 2015. In addition, approximately 12 acres of greenbelts, landscaped medians and street ends are maintained by the Park Division. The planned landscaped medians on Whittier Boulevard between Valley Home and Santa Gertrudes, and on Beverly Boulevard between Pioneer Boulevard and Rockne Avenue will add nearly another 1.5 acres to this total. The City also maintains an urban forest that consists of over 40,000

trees which enhances the “curb appeal” of City neighborhoods as well as provides a healthier and more comfortable environment. Approximately three hundred parkway trees will be planted in the future as part of the Whittier “Tree City” initiative. All new commercial developments have been required through conditions of approval, to provide 10% on-site landscaping and landscaped parkways. In addition, 350 square feet of landscaping must be installed per unit within a multi-family development.

The City received four new Dial-A-Ride buses to replace four aging vehicles, through a federal grant, and is in the process of applying for six additional replacement vehicles.

### **Air Quality Element**

The Air Quality Element contains programs that will allow the City of Whittier to contribute to the attainment of State and Federal clean air standards. The projects described below are implemented to fulfill the goals of the Air Quality Element.

The City actively pursues and encourages residents and City employees to pursue more environmentally friendly methods of commuting to work. Specific strategies include: preferential parking at City Hall for employees carpooling and/or driving a zero emission vehicle, development and promotion of the Greenway Trail, bus pass subsidies for City residents, employee compressed work schedules and Rideshare incentives with a monthly raffle for participants, advocating for the Gold Line light rail eastward extension, and an annual Bike to Work event.

The City of Whittier Greenway Bicycle and Pedestrian Trail replaced an abandoned railroad right-of-way. The City has used grant funding to develop the trail into an attractive alternative to driving busy streets. The trail begins in northwest Whittier and extends 4.5 miles southeast. Plans and construction are underway to extend it another 2.8 miles to the eastern border of the City. A groundbreaking event took place in 2017 and construction began in 2019 with the Mills Trailhead Oak Station project.

The City of Whittier offers residents discounted rates of as much as 20% for bus fares and a convenient City location, at the Uptown Senior Center, where bus passes and Metro TAP cards can be purchased.

A significant number of City employees work a compressed work week, eliminating a day of commuting every two weeks. Employee incentives (e.g. preferential car pool parking spots, dedicated electric vehicle (EV) charging stations, eligibility for gift drawings, etc.) are offered to those who carpool, drive an electric vehicle, ride bicycles or use public transit to get to work.

The City has played an active role in efforts to bring Metro’s Gold Line eastward extension to Whittier. The route is currently under environmental review and City

officials will continue to monitor and advocate for the route that would best serve Whittier residents.

Each year the city sponsors a “Bike to Work Day” event, along the Whittier Greenway Trail, for residents and employees with prizes and information for bicyclists. This year there were two stations: Palm Park and Whittier City Hall.

The City has also installed solar systems for irrigation, speed radar signs, bus shelters, bike lanes, and pedestrian crosswalks throughout the City.

### **Public Safety Element**

#### **➤ Disaster Management**

The Public Safety Element addresses both natural and man-made hazards that may result in economic and social disruption, the loss of life, and/or damage of property. In an effort to minimize such loss/damage due to: earthquakes, flood, fire, landslides, crime, hazardous materials/waste contamination and man-made hazards, the City has adopted a Standard Emergency Management System (SEMS) emergency operations plan. This disaster plan integrates community resources into municipal emergency management, including a list of local resources such as personnel, volunteers, equipment, material, specialized medical and other training and amateur radio emergency services auxiliary communications.

As required by Presidential Directive 5, which was issued after September 11, 2001, the City has adopted Resolution No. 7875, which recognizes the National Incident Management Systems (NIMS) and adopts NIMS principles and policies into the City’s emergency management system. The national NIMS is essentially based on California’s SEMS model. Although the two systems are very similar, in 2009, the City’s existing SEMS-based emergency operations plan was updated, where necessary, to be fully compliant with NIMS. In conformance with the SEMS/NIMS emergency operations plan, the City of Whittier has continued to perform regular trainings, exercises and disaster drills in conjunction with other agencies (e.g., L.A. County Fire Department) and other institutions (e.g., Whittier College and local school districts) that will help establish and maintain an on-going state of readiness within the City organization.

The City also updated its Natural Hazards Mitigation Plan on February 3, 2016. The document was subsequently certified by FEMA on October 28, 2016. The Plan includes resources and information to assist City residents, public and private sector organizations and others interested in participating in planning for natural hazards. The mitigation plan provides a list of activities that may assist the City of Whittier in reducing risk and preventing loss from future natural hazard events. The action items address multi-hazard issues, as well as activities for earthquakes, flooding and wildfires. The list of mitigation actions in the plan is

reviewed by City staff on an annual basis prior to preparing yearly budget requests.

➤ **Law Enforcement Through Community Partnerships**

The Whittier Police Department continuously works to improve its policing strategies and efficient use of resources while enhancing community safety through strong community partnerships, problem solving policing, and crime prevention programs.

As a way of effectively identifying community needs, the Chief of Police and his staff meet regularly with various community groups such as service clubs, the Hispanic Outreach Taskforce (HOT), each of the School Districts that lie within the Whittier Police Department's jurisdiction, the Whittier First Day Coalition, City sponsored public outreach events, Chamber of Commerce, and the Whittier Uptown Association.

➤ **School Resource Officers**

Several years ago, the City, Police Department, and Whittier Union High School District (WUHSD) entered into a partnership for the purpose of implementing school resource officers in three of the high schools within its jurisdiction. Additionally, police officers regularly provide a law enforcement presence at Sierra Vista High School and Whittier Adult School. Police personnel are on campus to work with staff and students to address crime prevention and school safety through mutual collaboration and support.

➤ **Crime Prevention**

Crime prevention education programs are provided by the Department at community meetings, school assemblies, retirement facilities, neighborhood association meetings, Chamber of Commerce and special events. Whittier Police also issues useful tips and safety information using social media, such as Twitter, Facebook and in the Chamber of Commerce newsletters.

➤ **PSA Policing**

The Whittier Police Department uses a geographic policing structure, in which a set team of officers works to resolve community and crime-related problems within a specified area, under the direction of a sergeant or a lieutenant. The teams are responsible and accountable for providing "24-7" service to their area within the city. There is an increased expectation of improved service, familiarity with code enforcement issues, businesses and residents, and a more diligent response to identified problems.



The geographical policing structure also allows officers to develop distinct familiarity with community safety issues in the areas that they are assigned. Specifically, team members are responsible for establishing and maintaining lines of communications with other city departments and governmental agencies that have resources needed to address problems.

Police Service Area Lieutenants and Sergeants working in partnership with the community, regularly identify and prioritize the crime issues in their areas, as well as City-wide objectives; they communicate with their officers to direct enforcement efforts accordingly in their areas.

➤ **Uptown Directed Patrol**

Uptown cellular site revenues were approved in 2016, 2017 and 2018 to add several hours a week for directed patrol of the Uptown area. Officers on patrol (whether on foot, bicycles, or in patrol cars) address crime and quality of life issues reported by the business and residential community.

➤ **Traffic Safety**

The Whittier Police Department continued to receive Office of Traffic Safety (OTS) grants to augment its resources specific to traffic safety. As traffic safety is always a high priority for Whittier, the Police Department utilized grant funds to conduct many DUI/driver's license checkpoints, directed DUI patrol team enforcement, and conduct seat belt, distracted driver, speed reduction, and red light violation enforcement.

➤ **Mental Health Evaluation Team**

Established in 2016, a specially trained Whittier police officer and a member of the Los Angeles County Department of Mental Health formed the MET team and began responding to assist officers in their contacts with people in the community suffering from mental illness. The team continues to provide crisis intervention, referrals, and appropriate placements to the mentally ill they contact through law enforcement encounters.

➤ **WVL Gang Injunction**

Police personnel actively enforce the gang injunction against the "WVL" gang, identifying several new gang members who qualify under the gang injunction, and enjoined them to it when appropriate. The strict enforcement of this injunction has resulted in arrests and criminal filings which have a direct positive impact on the quality of life for citizens living within the community.

### ➤ **Community Impact Team**

Created in 2019, the two officer detail is assigned to handle homeless outreach, encampment management, street crimes enforcement and emerging quality of life safety issues. The team of officers is highly visible utilizing marked police vehicles, foot beat or bicycle patrol depending on their daily mission.

### **Noise Element**

The Noise Element of the General Plan is dedicated to protecting the community from excessive noise. The City recognizes that there are two major categories of noise sources, mobile and stationary. With respect to stationary noise sources, they are generally associated with industrial and commercial activities, construction work, and human activity. Mitigation of these noise sources typically involves limiting business hours, restricting commercial and industrial business operations to enclosed buildings, and/or considering land use compatibility when determining an acceptable limit for noise exposure for various land uses. A variety of these options continue to be implemented for all new developments in the City as a means of mitigating adverse noise impacts from mobile or stationary noise emitters. It is important to note that the City routinely requires noise studies (particularly for new residential development) to ensure compliance with the City's Noise Ordinance. Noise mitigation measures addressing mobile or stationary noise emitters are therefore applied to all new projects, as necessary.

### **Historical Resources Element**

The Historical Resources Element of the Whittier General Plan is an optional element that identifies the specific historic preservation objectives and goals of the City.

There are currently a total of seven buildings within the City that are listed in the *National Register of Historic Places*, 24 buildings/structures/objects listed in the *California Register of Historic Resources* and 109 buildings/structures/objects listed in the City's *Official Local Register of Historic Resources*. There are also a total of four local historic districts within the City which are referred to as the "Central Park," "Hadley-Greenleaf," "College Hills" and "Earlham."

With respect to Mills Act contracts, the City adopted an ordinance approving of their use in Whittier during the early 1990's for the owners of individually designated historic landmarks and contributing resources within historic districts. The City actively promotes local public awareness of Mills Act contracts through brochures and public announcements. City staff has also given public presentations as part of various California Preservation Foundation seminars and through the American Planning Association (California Region). Currently, the City of Whittier has entered into a total of 35 Mills Act Contracts with owners of qualified historic properties.

The City approved two Certificate of Appropriateness applications for buildings and structures located within the City's historic districts between October 1, 2018, and September 30, 2019.

A city-wide historic resource survey began in November 2012 to evaluate all non-residential historic resources in Whittier through 1967. The non-residential survey was completed in June 2015. A total of 71 properties were identified as appearing eligible for landmark designation through survey evaluation. The non-residential survey was processed through the Whittier Historic Resources Commission during the summer of 2016. The Commission subsequently made a non-binding recommendation to the City Council that a cumulative total of 56 buildings, structures and objects appeared eligible for local landmark designation.

The City's Historic Resources Commission created an informational flyer for public distribution to help encourage preservation citywide. Additionally, the City is working on updating its historic resource webpage to help promote local historic landmarks, encourage historic preservation and explain the processes and procedures set forth by the Whittier Zoning Code for processing applications concerning vintage, eligible and landmark properties. The City aims to provide information on historic resources within the City, historic resource links, historic resources applications, information on adaptive re-use of historic buildings, a brief history of the City of Whittier; and, links to historic resource related websites such as the *U.S. Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring and Reconstructing Historic Buildings*.

**-The End-**

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
(CCR Title 25 §6202)

Jurisdiction: Whittier  
Reporting Year: 2019 (Jan. 1 - Dec. 31)

**Table A**  
**Housing Development Applications Submitted**

Project Identifier		Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes						Total PROPOSED Units by Project	Total APPROVED Units by Project	Total Disapproved Units by Project	Streamlining	Notes					
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)		Tenure R=Renter O=Owner	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	6	7	8	9	10
					1	2														
Summary Row: Start Data Entry Below																				
	8234-020-009	10118 Homeland Ave.		DRP17-048	ADU		R	7/1/2017	0	0	0	40	0	0	0	130	65	0	0	
	8232-013-041	10958 Lindesmith		DRP17-058	ADU		R	7/1/2017	1	1	1	1	1	1	1	1	1	0	0	No
	14856-020-003	14856 Mar Vista St.		DRP15-092	SFD		O	7/1/2015	1	1	1	1	1	1	1	1	1	0	0	No
	8141-011-023	7646 Bright		DRP16-068	2 to 4		R	7/1/2016	2	2	2	2	2	2	2	2	2	0	0	No
	8141-011-023	7648 Bright		DRP16-068	2 to 4		R	7/1/2016	2	2	2	2	2	2	2	2	2	0	0	No
	8137-024-042	6245 Hill		DRP15-046	SFD		O	7/1/2013	1	1	1	1	1	1	1	1	1	0	0	No
	8129-019-021	5611 Adele Ave		DRP17-064	ADU		R	7/1/2017	1	1	1	1	1	1	1	1	1	0	0	No
	8224-016-020	15246 El Soneto		DRP18-023	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8132-012-028	11308 Claire St.		DRC18-431	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8291-039-008	16046 Aurora Crest		DRP17-010	SFD		O	7/1/2017	1	1	1	1	1	1	1	1	1	0	0	No
	8291-043-001	16327 Aurora Crest		DRP17-004	SFD		O	7/1/2017	1	1	1	1	1	1	1	1	1	0	0	No
	N/A	14436 Emory		N/A	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8141-032-024	8042 Bright		DRP18-024	SFD		O	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	N/A	14828 Mar Vista		N/A	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8147-002-015	8523 Catalina		DRP18-008	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8142-001-007	13742 Penn		DRP18-003	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8143-007-024	8154 College		DRP18-005	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8140-012-022	6217 Hoover		DRP18-001	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8148-008-007	8559 Enramada		DRP18-028	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8142-037-006	7929 Friends		DRP18-052	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8234-014-024	9811 Bogardus		DRP18-055	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8142-037-008	7922 Washington		DRP18-046	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8139-001-029	6521 Painter		DRP18-053	SFD		O	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8144-021-012	8259 Stubb		DRC18-0942	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8235-020-011	16437 Prudencia		DRC18-0952	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8166-002-016	8906 Santa Fe Springs		DRP18-050	SFD		O	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8144-006-009	13827 Sunset		DRP18-042	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8145-019-014	14631 La Cuarta		DRP18-076	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8142-036-010	7712 Friends		DRP18-016	SFD	SFD * ADU	O	7/1/2018	2	2	2	2	2	2	2	2	2	0	0	No
	8148-005-013	8749 Highland		DRP18-015	SFD		O	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8126-026-017	11622 Grande Vista		DRP18-025	SFD	SFD * ADU	O	7/1/2018	2	2	2	2	2	2	2	2	2	0	0	No
	8166-010-013	12913 Foxley		DRP18-032	SFD		O	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8166-019-016	12507 Permain Place		DRP18-043	SFD		O	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8139-007-023	12708 Hadley		DRP18-057	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8139-013-010	Not assigned		DRP18-056	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8135-003-012	12721 Camilla		DRP18-071	2 to 4		R	7/1/2018	2	2	2	2	2	2	2	2	2	0	0	No
	8164-012-015	13585 Flomar		DRP18-073	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8135-023-026	5848 Bright		DRP18-074	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8231-024-021	15809 Santa Fe St.		DRP18-075	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8135-001-018	6342 Pickering		DRP18-077	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8138-011-012	7013 Hillside		DRP18-078	ADU		R	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8166-010-033	8829 GREENLEAF AVE		HRC18-004	SFD		O	7/1/2018	1	1	1	1	1	1	1	1	1	0	0	No
	8134-012-050	12031 BEVERLY BLVD		DRP14-080	SFD		O	7/1/2014	1	1	1	1	1	1	1	1	1	0	0	No
	8149-014-005	15117 EL SONETO DR		DRC19-0256	2-4		R	7/1/2019	1	1	1	1	1	1	1	1	1	0	0	No
	8147-013-002	8610 CALMOSA AVE		DRC19-0390	ADU		R	4/18/2019	1	1	1	1	1	1	1	1	1	0	0	No
	8135-027-019	6318 WASHINGTON AVE		DRP19-0004	ADU		R	6/3/2019	1	1	1	1	1	1	1	1	1	0	0	No
	8143-021-014	8603 CALIFORNIA AVE			ADU		R	7/1/2019	1	1	1	1	1	1	1	1	1	0	0	No
	8136-015-003	13782 Philadelphia St		HRC04-003	SFD		O	7/1/2004	1	1	1	1	1	1	1	1	1	0	0	No
	8126-003-018	5304 DAVIDSON DR		DRP15-075	SFD		O	7/1/2015	1	1	1	1	1	1	1	1	1	0	0	No



**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202)

**Table A2**  
**Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units**

Project Identifier		Unit Types						Affordability by Household Incomes - Completed Entitlement									
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	2		3		4						5	6	
					Unit Category (SFA, SFD, 2 to 4.5+, ADU, MH)	Tenure (R=Renter, O=Owner)	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units Issued Entitlements		
Summary Row: Start Data Entry Below																	
	8234-020-009	10118 Homeland Ave.		DRP17-048	ADU	R	0	0	36	0	0	0	0	0	9	7/1/2017	45
	8232-013-041	10958 Lindesmith		DRP17-058	ADU	R			1							10/2/2017	1
	8146-020-003	14856 Mar Vista St.		DRP15-092	SFD	O								1		9/20/2016	1
	8141-011-023	7646 Bright		DRP16-088	2 to 4	R								2		1/12/2017	2
	8141-011-023	7646 Bright		DRP16-088	2 to 4	R								2		1/12/2017	2
	8137-024-042	6245 Hill		DRP13-046	SFD	O								1		9/8/2014	1
	8129-019-021	5611 Adèle Ave.		DRP17-064	ADU	R										7/3/2018	1
	8224-016-020	15246 El Sonelto		DRP16-023	ADU	R										7/30/2018	1
	8132-012-028	11308 Clare St.		DRP16-431	ADU	R										8/13/2018	1
	8291-039-008	16046 Aurora Crest		DRP17-010	SFD	O								1		6/6/2017	1
	8291-043-001	16327 Aurora Crest		DRP17-004	SFD	O								1		2/13/2017	1
	N/A	14436 Emory		N/A	ADU	R										7/1/2018	1
	8141-032-024	8042 Bright		DRP16-024	SFD	O								1		7/9/2018	1
	N/A	14828 Mar Vista		N/A	ADU	R										7/1/2018	1
	8147-002-015	8523 Catalina		DRP16-008	ADU	R										6/14/2018	1
	8142-001-007	13742 Penn		DRP16-003	ADU	R										3/23/2018	1
	8143-007-024	8154 College		DRP16-005	ADU	R										3/26/2018	1
	8140-012-022	6217 Hoover		DRP16-001	ADU	R										5/10/2018	1
	8148-008-007	8559 Enramada		DRP16-028	ADU	R										9/17/2018	1
	8142-037-006	7929 Friends		DRP16-052	ADU	R										10/23/2018	1
	8234-014-024	9911 Bogardus		DRP16-055	ADU	R										10/29/2018	1
	8142-037-008	7922 Washington		DRP16-046	ADU	R										11/14/2018	1
	8139-001-029	6521 Partner		DRP16-053	SFD	O										11/16/2018	1
	8144-021-012	8259 Shrub		DRP16-094	ADU	R										11/28/2018	1
	8235-020-011	16437 Prudencia		DRP16-092	ADU	R										12/3/2018	1
	8166-002-016	8906 Santa Fe Springs		DRP16-050	SFD	O										12/6/2018	1
	8144-006-009	13827 Sunset		DRP16-042	ADU	R										12/12/2018	1
	8146-019-014	14631 La Cuarta		DRP16-076	ADU	R										1/14/2019	1
	8142-036-010	7712 Friends	SFD + ADU	DRP16-016	SFD	O										2/1/2019	2
	8148-005-013	8749 Highland		DRP16-015	SFD	O										11/7/2018	1
	8126-026-017	11622 Grande Vista	SFD + ADU	DRP16-025	SFD	O										7/1/2019	2
	8166-010-013	12913 Foxy		DRP16-032	SFD	O										3/4/2019	1
	8168-019-016	12507 Penman Place		DRP16-043	SFD	O										4/29/2019	1
	8139-007-023	12708 Hedley		DRP16-057	5+	R										7/2/2019	0
	8139-023-025	5503 Carley		DRP16-058	ADU	R										7/2/2019	1
	8139-013-010	Not assigned		DRP16-062	2 to 4	R											0
	8135-003-012	12721 Camilla		DRP16-071	2 to 4	R										11/30/2018	0
	8164-012-015	13585 Flomar		DRP16-073	ADU	R										8/15/2019	1
	8135-023-026	5948 Bright		DRP16-074	ADU	R											0
	8231-024-021	18609 Santa Fe St.		DRP16-075	ADU	R										3/16/2020	0
	8135-001-018	6342 Pickering		DRP16-077	ADU	R										6/30/2019	1
	8141-031-015	7954 Bright		DRP16-078	ADU	R										12/11/2019	1
	8139-011-012	7013 Hillside		HRC18-004	SFD	O										3/16/2015	1
	8166-010-033	8829 GREENLEAF AVE		DRP14-080	SFD	O										4/18/2019	1
	8134-012-050	12031 BEVERLY BLVD		DRP16-075	5+	R										2/25/2019	1
	8149-014-005	15117 EL SONETO DR		DRP19-0266	ADU	R										4/18/2019	1
	8147-013-002	8610 CALMOSA AVE		DRP19-0360	ADU	R										10/16/2019	1
	8135-027-019	6318 WASHINGTON AVE		DRP19-0004	ADU	R										4/9/2019	1
	8143-021-014	8603 CALIFORNIA AVE		DRP16-074	ADU	R										7/24/2018	1
	8136-015-003	13782 Philadelphia ST		HRC04-003	SFD	O										9/19/2018	1
	8126-003-018	5304 DAVIDSON DR		DRP15-075	SFD	O										12/13/2016	1
	8234-006-030	15923 JANNIE DR		DRP18-0034	ADU	O										11/30/2018	1
	8126-003-030	5301 WOODWARD LN		DRP15-075	5+	O										12/13/2016	5
	8126-003-030	5309 DAVIDSON DR		DRP15-075	SFD	O										12/13/2016	1
	8126-003-030	5307 DAVIDSON DR		DRP15-075	SFD	O										12/13/2016	1
	8126-003-030	5311 DAVIDSON DR		DRP15-075	SFD	O										12/13/2016	1
	8126-003-029	5311 Bhr CIR		DRP15-075	5+	O										12/13/2016	5
	8126-003-030	5323 APPLEFIELD DR		DRP15-075	2-4	O										12/13/2016	2
	8134-031-031	5643 PICKERING AVE		DRP16-051	ADU	R										8/2/2019	1

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8140-008-041	11761 HADLEY ST	DRP15-075	SFA	O											12/13/2016	1			
8135-010-004	6217 COMSTOCK AVE	DRP19-003	ADU	R											6/7/2019				
8237-035-001	17027 JANISON DR	DRP19-014	ADU	R											10/28/2019				
8126-013-010	11837 Rickett WY	DRP17-085	SFD	O											10/9/2018	1			
8236-041-007	16955 JANINE DR	DRP19-060	ADU	R											8/13/2019				
8140-008-041	6339 MAGNOLIA AVE	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	6343 MAGNOLIA AVE	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	6347 MAGNOLIA AVE	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	6351 MAGNOLIA AVE	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	6355 MAGNOLIA AVE	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	6359 MAGNOLIA AVE	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	6363 MAGNOLIA AVE	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11765 HADLEY ST	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11795 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11791 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11787 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11783 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11779 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11775 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11772 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11776 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11780 CARRIAGE AVE	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11784 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11788 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11792 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8291-015-012	9357 LINDANTE DR	DRP19-0078	ADU	R											11/26/2019				
8170-013-904	6801 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6803 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6827 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6825 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6823 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6805 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6807 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6821 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6811 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6819 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6813 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6817 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6815 STARLING LN	DRP19-0078	SFA	O											1/10/2017	1			
8170-013-904	6960 Autumn Ave	DRP19-0079	SFD	O											1/10/2017	1			
8170-013-904	6982 Autumn Ave	DRP19-0079	SFD	O											1/10/2017	1			
8170-013-904	6988 Autumn Ave	DRP19-0079	SFD	O											1/10/2017	1			
8170-013-024	6609 HARVEST DR	DRP19-0683	SFD	O											1/10/2017	1			
8170-013-904	6611 HARVEST DR	DRP19-0683	SFD	O											1/10/2017	1			
8170-013-904	6607 Harvest DR	DRP19-0683	SFD	O											1/10/2017	1			
8165-020-023	13128 PUTNAM ST	DRP15-047	SFD	O											10/27/2017	1			
8126-003-030	5310 WORKMAN MILL RD	DRP15-075	2-4	O											12/13/2016	4			
8126-003-030	5350 WORKMAN MILL RD	DRP15-075	2-4	O											12/13/2016	4			
8126-003-030	5302 LEGACY CT	DRP15-075	2-4	O											12/13/2016	4			
8126-003-030	5313 DAVIDSON DR	DRP15-075	SFD	O											12/13/2016	1			
8126-003-030	5315 DAVIDSON DR	DRP15-075	SFD	O											12/13/2016	1			
8126-003-030	5317 DAVIDSON DR	DRP15-075	SFD	O											12/13/2016	1			
8146-017-025	8346 OCEAN VIEW AVE	DRP17-092	ADU	R											10/2/2018	1			
8236-009-002	10614 SCOTT AVE	DRP18-0989	ADU	R											1/25/2019	1			
8170-013-904	7089 Summer LN	DRP19-0682	SFD	O											1/10/2017	1			
8170-013-904	7095 Summer LN	DRP19-0682	SFD	O											1/10/2017	1			
8170-013-904	7087 Summer LN	DRP19-0682	SFD	O											1/10/2017	1			
8170-013-904	7085 Summer LN	DRP19-0682	SFD	O											1/10/2017	1			
8170-013-904	7093 Summer LN	DRP19-0682	SFD	O											1/10/2017	1			
8170-013-904	7091 Summer LN	DRP19-0682	SFD	O											1/10/2017	1			
8126-027-002	5456 MAVIS AVE	DRP19-020	ADU	R											7/16/2019	1			
8231-023-013	15816 CITRUSTREE RD	DRP19-012	ADU	R											6/21/2019	1			
8146-007-002	14435 MAR VISTA ST	DRP19-027	ADU	R											8/14/2019	1			
8140-008-041	11757 HADLEY ST	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11753 HADLEY ST	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11749 HADLEY ST	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11748 Carriage LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11745 HADLEY ST	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11741 HADLEY ST	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11752 Carriage LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11756 Carriage LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11760 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11764 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			
8140-008-041	11744 CARRIAGE LN	DRP14-056	SFA	O											5/26/2015	1			

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Reporting Year	Jurisdiction	Address	DRP/DCR #	ADU	Units	Start Date	End Date	Notes
		14247 Christine DR		ADU	1		6/2/2018	
		12438 Washington BL	DRP19-041	2-4			6/12/2018	
		13729 LA CUARTA ST	DRP19-032	ADU	4		8/8/2019	
		12418 ROSE DR	DRC19-0726	ADU	1		9/16/2019	
		12018 BEVERLY BLVD	DRP19-022	ADU	1		4/8/2019	
		11541 BEVERLY BLVD	DRC19-0135	ADU	1		2/27/2019	
		12340 ORANGE DR	DRP19-030	ADU	1		4/16/2019	
		12322 ORANGE DR	DRP19-088	ADU	1		9/23/2019	
		6051 PICKERING AVE	DRP19-063	ADU	1		2/13/2020	
		8003 SARGENT AVE	DRC18-0647	ADU	1		8/7/2018	
		8165-017-004	DRP19-0113	ADU	1		11/14/2019	
		8291-010-023	DRP19-008	ADU	1		6/10/2019	
		8135-031-003	DRP19-010	ADU	1		12/9/2019	
		8142-001-024	DRP19-0067	ADU	1		11/7/2019	
		8134-005-001	DRP19-046	ADU	1		8/30/2019	
		8168-022-036	DRP19-0014	SFD	1			
		8141-031-003	DRP19-085	ADU	1		12/18/2019	
		8166-008-024	DRP19-047	ADU	1		9/4/2019	
		8135-027-019	DRP19-004	ADU	1		12/5/2019	
		8231-023-013	DRP19-0012	ADU	1		5/1/2019	
		8132-008-039	DRP19-0003	ADU	1		5/9/2019	
		8165-001-004	DRP19-0011	ADU	1		8/12/2019	
		8236-094-002	DRP19-062	O	1		11/22/2019	
		8141-010-008	DRP19-0094	2-4	2		11/27/2019	
		8142-008-004	DRP19-0075	ADU	1		1/31/2020	
		8134-024-011	DRP19-0057	ADU	1		2/21/2020	



Jurisdiction	Whittier
Reporting Year	2019 (Jan. 1 - Dec. 31)

Note: "\*" indicates an optional field  
Cells in grey contain auto-calculation formulas

Project Identifier		Affordability by Household Incomes - Building Permits							Building Permits Date Issued	# of Units Issued Building Permits						
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA, SFD, 2 to 4.5+ ADU, MH)	Tenure R=Renter O=Owner	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted			Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	
Annual Buildin																
1		2		3			7							8	9	
Summary Row: Start Data Entry Below																
	8234-020-009	10118 Homeland Ave.		DRP17-048	ADU	R	0	0	0	1	0	0	0	95	2/6/2018	117
	8232-013-041	10958 Lindesmith		DRP17-068	ADU	R				1					4/6/2018	1
	8146-020-003	14856 Mar Vista St.		DRP15-092	SFD	O				1			1		4/30/2018	1
	8141-011-023	7646 Bright		DRP16-068	2 to 4	R							2		6/20/2018	2
	8141-011-023	7648 Bright		DRP16-068	2 to 4	R							2		6/20/2018	2
	8137-024-042	6245 Hill		DRP13-046	SFD	O				1			1		6/29/2018	1
	8129-019-021	5611 Adelle Ave.		DRP17-064	ADU	R				1					7/26/2018	1
	8224-016-020	15246 El Somelo		DRP18-023	ADU	R				1					8/22/2018	1
	8132-012-028	11308 Clare St.		DRP18-431	ADU	R				1					8/16/2018	1
	8291-039-008	16046 Aurora Crest		DRP17-010	SFD	O				1			1		9/4/2018	1
	8291-043-001	16327 Aurora Crest		DRP17-004	SFD	O				1			1		9/11/2018	1
	N/A	14436 Emory		N/A	ADU	R				1					10/19/2018	1
	8141-032-024	8042 Bright		DRP18-024	SFD	O							1		11/26/2018	1
	N/A	14828 Mar Vista		N/A	ADU	R				1					11/28/2018	1
	8147-002-015	8523 Catalina		DRP18-008	ADU	R				1					12/30/2018	1
	8142-001-007	13742 Fern		DRP18-003	ADU	R				1					1/12/2019	1
	8143-007-024	8154 College		DRP18-005	ADU	R									2/29/2019	0
	8140-012-022	6217 Hoover		DRP18-001	ADU	R				1					2/29/2019	0
	8148-008-007	8559 Encarnada		DRP18-028	ADU	R									5/30/2019	0
	8142-037-006	7929 Friends		DRP18-052	ADU	R				1					3/26/2019	1
	8234-014-024	9911 Bogardus		DRP18-055	ADU	R				1					5/6/2019	1
	8142-037-008	7922 Washington		DRP18-046	ADU	R				1					5/6/2019	1
	8139-001-029	6521 Painter		DRP18-053	SFD	O									9/20/2019	0
	8144-021-012	8259 Strub		DRP18-094	ADU	R				1					4/19/2019	1
	8235-020-011	16437 Prudencia		DRP18-052	ADU	R				1					4/19/2019	1
	8166-002-016	8906 Santa Fe Springs		DRP18-050	SFD	O										0
	8144-006-009	13927 Sunset		DRP18-042	ADU	R									6/29/2019	0
	8146-019-014	14631 La Cuarta		DRP18-076	ADU	R				1					6/29/2019	0
	8142-036-010	7712 Friends	SFD - ADU	DRP18-016	SFD	O										0
	8148-005-013	8749 Highland		DRP18-015	SFD	O										0
	8126-026-017	11622 Grande Vista	SFD - ADU	DRP18-025	SFD	O										0
	8166-010-013	12913 Foxy		DRP18-032	SFD	O										0
	8166-019-016	12507 Pennant Place		DRP18-043	SFD	O										0
	8139-007-023	12708 Hadley		DRP18-057	5+	R										0
	8139-023-025	5503 Carley		DRP18-058	ADU	R										0
	8139-013-010	Not assigned		DRP18-062	2 to 4	R										0
	8135-003-012	12721 Camilla		DRP18-071	2 to 4	R										0
	8164-012-015	13585 Flomar		DRP18-073	ADU	R				1					10/10/2019	1
	8135-023-026	5848 Bright		DRP18-074	ADU	R				1					11/22/2019	1
	8231-024-021	18809 Santa Fe St.		DRP18-075	ADU	R										0
	8135-001-018	6342 Pickering		DRP18-077	ADU	R										0
	8141-031-015	7954 Bright		DRP18-078	ADU	R										0
	8139-011-012	7013 Hillside		HRC18-004	SFD	O										0
	8166-010-033	8629 GREENLEAF AVE		DRP14-080	SFD	O										0
	8134-012-050	12031 BEVERLY BLVD			2-4	R									3/12/2019	1
	8149-014-005	15117 EL SONETO DR		DRC19-0266	ADU	R				1			1		2/25/2019	1
	8147-013-002	8610 CALIFORNIA AVE		DRC19-0390	ADU	R				1					5/17/2019	1
	8135-027-019	6318 WASHINGTON AVE		DRP19-0004	ADU	R				1					10/16/2019	1
	8143-021-014	8603 CALIFORNIA AVE			ADU	R				1					11/14/2019	1
	8136-015-003	13782 Philadelphia ST		HRC04-003	SFD	O							1		7/24/2018	1
	8126-003-018	5304 DAVIDSON DR		DRP15-075	SFD	O							1		9/19/2018	1
	8234-006-030	15923 JANNIE DR		DRP18-0034	ADU	O				1					1/4/2019	1
	8126-003-030	5301 WOODWARD LN		DRP15-075	5+	O							5		3/4/2019	5
	8126-003-030	5309 DAVIDSON DR		DRP15-075	SFD	O							1		3/7/2019	1
	8126-003-030	5307 DAVIDSON DR		DRP15-075	SFD	O							1		3/7/2019	1
	8126-003-030	5311 DAVIDSON DR		DRP15-075	SFD	O							1		6/13/2019	1
	8126-003-029	5311 BIRCH CIR		DRP15-075	5+	O							5		7/30/2019	5
	8126-003-030	5323 APPLEFIELD DR		DRP15-075	2-4	O							2		7/30/2019	2
	8134-031-031	5643 PICKERING AVE		DRP16-061	ADU	R				1					8/22/2019	1





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Project Identifier		Annual Buildin							Affordability by Household Incomes - Certificates of Occupancy							
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Types		Tenure R=Renter O=Owner	Very Low- Income Deed Restricted	Very Low- Income Non Deed Restricted	Low- Income Deed Restricted	Low- Income Non Deed Restricted	Moderate- Income Deed Restricted	Moderate- Income Non Deed Restricted	Above Moderate- Income	Certificates of Occupancy or other forms of readiness (see instructions) <u>Date</u> <u>Issued</u>	# of Units Issued Certificates of Occupancy or other forms of readiness
					1	2										
Summary Row: Start Data Entry Below																
	8234-020-009	10118 Homeland Ave.		DRP17-048		ADU	R	0	0	0	6	0	1	1		8
	8232-013-041	10988 Lindemith		DRP17-068		ADU	R				1				10/8/2019	0
	8146-020-003	14856 Mar Vista St.		DRP15-092		SFD	O									0
	8141-011-023	7646 Bright		DRP16-068		2 to 4	R									0
	8141-011-023	7648 Bright		DRP16-068		2 to 4	R									0
	8137-024-042	6245 Hill		DRP13-046		SFD	O				1			11/9/2018	0	
	8129-019-021	5611 Adelle Ave.		DRP17-064		ADU	R									1
	8224-016-020	15246 El Somelo		DRP18-023		ADU	R				1			3/25/2019	0	
	8132-012-028	11308 Care St.		DRC18-431		ADU	R				1			10/5/2018	1	
	8291-039-008	16046 Aurora Crest		DRP17-010		SFD	O								0	
	8291-043-001	16327 Aurora Crest		DRP17-004		SFD	O								0	
	N/A	14436 Emory		N/A		ADU	R								0	
	8141-032-024	8042 Bright		DRP18-024		SFD	O				1			2/6/2020	0	
	N/A	14828 Mar Vista		N/A		ADU	R								0	
	8147-002-015	8523 Catalina		DRP18-008		ADU	R								0	
	8142-001-007	13742 Penn		DRP18-003		ADU	R								0	
	8143-007-024	8154 College		DRP18-005		ADU	R								0	
	8140-012-022	6217 Hoover		DRP18-001		ADU	R								0	
	8148-008-007	8559 Enramada		DRP18-028		ADU	R								0	
	8142-037-006	7929 Friends		DRP18-052		ADU	R				1			2/6/2020	0	
	8234-014-024	9911 Bogardus		DRP18-055		ADU	R								0	
	8142-037-008	7922 Washington		DRP18-046		ADU	R				1			9/11/2019	1	
	8139-001-029	6521 Painter		DRP18-053		SFD	O								0	
	8144-021-012	8259 Shrub		DRC18-0942		ADU	R								0	
	8235-020-011	16437 Prudencia		DRP18-052		ADU	R				1			9/24/2019	0	
	8166-002-016	8906 Santa Fe Springs		DRP18-050		SFD	O								0	
	8144-006-009	13927 Sunset		DRP18-042		ADU	R								0	
	8146-019-014	14631 La Cuarta		DRP18-076		ADU	R								0	
	8142-036-010	7712 Friends	SFD + ADU	DRP18-016		SFD	O								0	
	8148-005-013	8749 Highland		DRP18-015		SFD	O								0	
	8126-026-017	11622 Grande Vista	SFD + ADU	DRP18-025		SFD	O								0	
	8166-010-013	12913 Foxy		DRP18-032		SFD	O								0	
	8168-019-016	12507 Penning Place		DRP18-043		SFD	O								0	
	8139-007-023	12708 Hadley		DRP18-047		5+	R								0	
	8139-023-025	5503 Carley		DRP18-058		ADU	R								0	
	8139-013-010	Not assigned		DRP18-062		2 to 4	R								0	
	8135-003-012	12721 Camilla		DRP18-071		2 to 4	R								0	
	8164-012-015	13585 Flomar		DRP18-073		ADU	R								0	
	8135-023-026	5848 Bright		DRP18-074		ADU	R								0	
	8231-024-021	15809 Santa Fe St.		DRP18-075		ADU	R								0	
	8135-001-018	6342 Pickering		DRP18-077		ADU	R								0	
	8141-031-015	7954 Bright		DRP18-078		ADU	R								0	
	8139-011-012	7013 Hillside		HRC18-004		SFD	O								0	
	8166-010-033	8829 GREENLEAF AVE		DRP14-080		SFD	O						1	10/23/2019	1	
	8134-012-050	12031 BEVERLY BLVD		DRP18-075		2-4	R						1	6/20/2019	1	
	8149-014-005	15117 EL SONETO DR		DRC19-0266		ADU	R				1			11/8/2019	1	
	8147-013-002	8610 CALIQUA AVE		DRC19-0390		ADU	R				1			11/20/2019	1	
	8135-027-019	6318 WASHINGTON AVE		DRP19-0004		ADU	R				1			11/17/2020	1	
	8143-021-014	8603 CALIFORNIA AVE		ADU		ADU	R								0	
	8136-015-003	13782 Philadelphia ST		HRC04-003		SFD	O								0	
	8126-003-016	5304 DAVIDSON DR		DRP15-075		SFD	O								0	
	8234-006-030	15923 JANINE DR		DRP18-0034		ADU	O								0	
	8126-003-030	5301 WOODWARD LN		DRP15-075		5+	O								0	
	8126-003-030	5309 DAVIDSON DR		DRP15-075		SFD	O								0	
	8126-003-030	5307 DAVIDSON DR		DRP15-075		SFD	O								0	
	8126-003-030	5311 DAVIDSON DR		DRP15-075		SFD	O								0	
	8126-003-029	5311 Bhr CIR		DRP15-075		5+	O								0	
	8126-003-030	5323 APPLEFIELD DR		DRP15-075		2-4	O								0	
	8134-031-031	5643 PICKERING AVE		DRP16-051		ADU	R								0	



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8710-034-012	14247 Christine DR																		ADU	R															0			
	12438 Washington BL										DRP15-041									2-4	R														0			
8142-071-057	13729 LA CUARTA ST										DRP19-0032									ADU	R														0			
8134-027-022	12418 ROSE DR										DRC19-0728									ADU	R															0		
8134-016-002	12018 BEVERLY BLVD										DRP19-0022									ADU	R															0		
8134-001-010	11541 BEVERLY BLVD										DRC19-0135									ADU	R															0		
8134-025-004	12340 ORANGE DR										DRP19-0030									ADU	R															0		
8134-025-007	12322 ORANGE DR										DRP19-0086									ADU	R															0		
8134-020-002	6051 PICKERING AVE										DRP19-0093									ADU	R															0		
8144-011-007	8003 SARGENT AVE										DRC18-0647									ADU	R																0	
8165-077-004	12921 WILSHIRE DR										DRP19-0113									ADU	R																0	
8291-010-023	8222 COLIMA RD										DRP19-0008									ADU	R																0	
8135-031-003	5837 PAINTER AVE										DRP19-0110									ADU	R																0	
8134-005-001	11885 MAPLE ST										DRP19-0096									ADU	R																0	
8142-001-024	13709 FRANKLIN ST										DRP19-0067									ADU	R																0	
8134-002-033	5419 MAGNOLIA AVE										DRP19-0046									ADU	R																0	
8166-022-036	8723 Santa Fe Springs Rd										DRP19-0014									SFD	O																0	
8141-031-003	7913 WASHINGTON AV										DRP19-0095									ADU	R																	0
8166-008-024	12713 DANBROOK DR										DRP19-0047									ADU	R																	0
8135-027-019	6316 WASHINGTON AV										DRP19-0004									ADU	R																	0
8231-023-013	15814 CITRUSTREE										DRP19-0012									ADU	R																	0
8132-008-039	14602 MONTE VIDEO										DRP19-0003									ADU	R																	0
8166-001-004	12619 MULBERRY										DRP19-0011									ADU	R																	0
8236-034-002	9914 BACANORA DR										DRP19-0052										O																	0
8141-010-008	7331 WASHINGTON AVE										DRP19-0094									2-4	R																	0
8142-008-004	13417 SUNSET DR										DRP19-0075									ADU	R																	0
8134-024-011	12307 BEVERLY BLVD										DRP19-0057									ADU	R																	0

Annual Buildin																					
Project Identifier		Unit Types		Streamlining		Infill		Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions		Term of Affordability or Deed Restriction		Demolished/Destroyed Units		Notes					
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure (R=Renter, O=Owner)	How many of the units were Extremely Low Income?*	Was Project APPROVED using GC 66913.4(b)? (SB 35 Streamlining)	Infill Units? Y/N*	Assistance Programs for Each Development (see instructions)	Deed Restriction Type (see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)	Number of Demolished/Destroyed Units*	Demolished/Destroyed Units Owner or Renter*	Notes*					
Summary Row: Start Data Entry Below													0	0	0	0	0	20	19	20	21
	8234-020-009	10118 Homeland Ave.		DRP17-048	ADU	R		N			ADU					Estimated Ert. Date					
	8232-013-041	10958 Lindesmith		DRP17-058	ADU	R		N			ADU					not yet finalized					
	8146-020-003	14656 Mar Vista St.		DRP15-092	SFD	O		N			ADU					not yet finalized					
	8141-011-023	7646 Bright		DRP16-068	2 to 4	R		N								not yet finalized					
	8141-011-023	7646 Bright		DRP16-068	2 to 4	R		N								not yet finalized					
	8137-024-042	6245 Hill		DRP13-046	SFD	O		N			ADU					not yet finalized					
	8129-019-021	5611 Adelle Ave.		DRP17-064	ADU	R		N			ADU					not yet finalized					
	8224-016-020	15246 El Soneto		DRP18-023	ADU	R		N			ADU					not yet finalized					
	8132-012-028	11308 Clare St.		DRC18-431	ADU	R		N			ADU					not yet finalized					
	8291-039-008	16046 Aurora Crest		DRP17-010	SFD	O		N			ADU					not yet finalized					
	8291-045-001	16327 Aurora Crest		DRP17-004	SFD	O		N			ADU					not yet finalized					
	N/A	14436 Emory		N/A	ADU	R		N			ADU					Estimated Ert. Date/Not finalized					
	8141-032-024	8042 Bright		DRP18-024	SFD	O		N			ADU					Estimated Ert. Date					
	N/A	14828 Mar Vista		N/A	ADU	R		N			ADU					not yet finalized					
	8147-002-015	8523 Catalina		DRP18-008	ADU	R		N			ADU					not yet finalized					
	8142-001-007	13742 Penn		DRP18-003	ADU	R		N			ADU					BL 18-2022					
	8143-007-024	8154 College		DRP18-005	ADU	R		N			ADU					not yet permitted or finalized					
	8140-012-022	6217 Hoover		DRP18-001	ADU	R		N			ADU					BL 18-1813					
	8148-008-007	8559 Encarnada		DRP18-028	ADU	R		N			ADU										
	8142-037-006	7929 Friends		DRP18-052	ADU	R		N			ADU										
	8234-014-024	9911 Bogardus		DRP18-055	ADU	R		N			ADU										
	8142-037-008	7922 Washington		DRP18-046	ADU	R		N			ADU										
	8139-001-029	8521 Penner		DRP18-053	SFD	O		N			ADU					not yet finalized					
	8144-021-012	8259 Strub		DRC18-0942	ADU	R		N			ADU					not yet finalized					
	8235-020-011	16437 Prudencia		DRC18-0952	ADU	R		N			ADU					review this one					
	8166-002-016	8906 Santa Fe Springs		DRP18-050	SFD	O		N			ADU					BL 19-0240					
	8144-006-009	13827 Sunset		DRP18-042	ADU	R		N			ADU					Updated 07/01/19					
	8146-019-014	14631 La Cuarta		DRP18-076	ADU	R		N			ADU										
	8142-038-010	7712 Friends	SFD + ADU	DRP18-016	SFD	O		N			ADU										
	8148-005-013	8749 Highland		DRP18-015	SFD	O		N			ADU										
	8126-026-017	11622 Grande Vista	SFD + ADU	DRP18-025	SFD	O		N			ADU										
	8166-010-013	12913 Foxley		DRP18-032	SFD	O		N			ADU										
	8169-019-016	12507 Pennant Place		DRP18-043	SFD	O		N			ADU					10 apartment units					
	8139-007-023	12708 Hadley		DRP18-057	5+	R		N			ADU					not yet approved					
	8139-023-025	5503 Carley		DRP18-058	ADU	R		N			ADU					not yet approved					
	8139-013-010	Not assigned		DRP18-062	2 to 4	R		N			ADU										
	8135-003-012	12721 Camilla		DRP18-071	2 to 4	R		N			ADU										
	8164-012-015	13565 Fomar		DRP18-073	ADU	R		N			ADU										
	8135-023-026	5648 Bright		DRP18-074	ADU	R		N			ADU										
	8231-024-021	15809 Santa Fe St.		DRP18-075	ADU	R		N			ADU										
	8135-001-018	6342 Pickering		DRP18-077	ADU	R		N			ADU					future approval date					
	8141-031-015	7954 Bright		DRP18-078	ADU	R		N			ADU					review this one - cancelled					
	8138-011-012	7013 Hilske		HRC18-004	SFD	O		N			ADU										
	8166-010-033	8629 GREENLEAF AVE		DRP14-080	SFD	O		N			Small rental										
	8134-012-050	12031 BEVERLY BLVD		DRP14-080	2-4	R		N			ADU										
	8149-014-005	15117 EL SONE TO DR		DRC19-0256	ADU	R		N			ADU										
	8147-013-002	8610 CALMOSA AVE		DRC19-0380	ADU	R		N			ADU										
	8135-027-019	8318 WASHINGTON AVE		DRP19-0004	ADU	R		N			ADU										
	8143-021-014	8603 CALIFORNIA AVE			ADU	R		N			ADU										
	8138-015-003	13782 Philadelphia ST		HRC04-003	SFD	O		N			ADU										
	8126-003-018	5304 DAVIDSON DR		DRP15-075	SFD	O		N			ADU										
	8234-006-030	15923 JANINE DR		DRP18-0034	ADU	O		N			ADU										
	8126-003-030	5301 WOODWARD LN		DRP15-075	5+	O		N			ADU										
	8126-003-030	5309 DAVIDSON DR		DRP15-075	SFD	O		N			ADU										
	8126-003-030	5307 DAVIDSON DR		DRP15-075	SFD	O		N			ADU										
	8126-003-030	5311 DAVIDSON DR		DRP15-075	SFD	O		N			ADU										
	8126-003-029	5311 Bfr CIR		DRP15-075	5+	O		N			ADU										
	8126-003-030	5323 APPLEFIELD DR		DRP15-075	2-4	O		N			ADU										
	8134-031-031	5643 PICKERING AVE		DRP16-051	ADU	R		N			ADU										







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**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
(CCR Title 28 §6202)

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.  
Please contact HCD if your data is different than the material supplied here

Table B Regional Housing Needs Allocation Progress Permitted Units Issued by Affordability															
Income Level	1											Total Units to Date (all years)	Total Remaining RHNA by Income Level		
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021	2021				
Very Low		57											57	171	
Low									9		8	22		30	105
Moderate									4	53				144	2
Above/Moderate		71	55	41	2	9	95							273	96
<b>Total RHNA</b>		<b>128</b>	<b>133</b>	<b>54</b>	<b>55</b>	<b>17</b>	<b>117</b>						<b>504</b>	<b>374</b>	
Total Units															

Note: units serving extremely low-income households are included in the very low-income permitted units totals  
Cells in grey contain auto-calculation formulas

Jurisdiction	Whittier
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**ANNUAL ELEMENT PROGRESS REPORT**  
**Housing Element Implementation**  
 (CCR Title 25 §6202)

Note: "-" indicates an optional field  
 Cells in grey contain auto-calculation formulas

**Table C**  
**Sites Identified or Rezoned to Accommodate Shortfall Housing Need**

Project Identifier		RHMA Shortfall by Household Income Category				Date of Rezone		Type of Shortfall		Sites Description						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Type of Shortfall	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonrecant	Description of Existing Uses
Summary Row: Start Data Entry Below																
NONE AT THIS TIME																
NONE AT THIS TIME																
NONE AT THIS TIME																

# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202)

<b>Jurisdiction</b>	Whittier
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**Table D**

### Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
1. Code Enforcement	Continue to implement code enforcement activities to ensure full compliance with City ordinances. Address 250 properties annually.	Ongoing	Program continued in 2019.
2. Housing Rehabilitation Loan/Grants	Issue 11 home rehabilitation loans/grants annually to lower income households. Seek funding to augment the housing rehabilitation loan/grant program. Publicize program availability.	Annual basis	Program continued in 2019. Zero loans and six grants were completed in FY2018-19. Program changes were made to increase participation.
3. Minor Home Repair Grant	Issue 13 home rehabilitation loans/grants annually to lower income households. Seek funding to augment the housing rehabilitation loan/grant program. Publicize program availability.	Ongoing	Program continued in 2019. Three grants were completed by SCRS and six grant were completed by Habitat For Humanity in FY2018-19
4. Historic Preservation	Fund the Penn@Comstock project. Continue to issue Mills Act Contracts and certificate of appropriateness applications. Continue surveys to identify potential historic resources and buildings.	Ongoing	Mills Act program continued in 2019. Penn/Comstock site was developed in 2016 with 9 moderate-income ownership units and 2 market-rate units.
5. Specific Plans	Continue to implement specific plans to facilitate high quality infill residential development.	Ongoing	Program continued in 2019. Many new housing developments have been entitled, constructed, and/or occupied within the Whittier Boulevard, Uptown, Lincoln, and Whittwood Specific Plan Areas.
6. Fred Nelles Site	Approve a specific project concept for the Nelles site and appropriate environmental clearance.	2014-2015	Program continued in 2019. Lincoln Specific Plan was approved for Fred C. Nelles site and will allow up to 750 housing units on the site. Construction is underway.

7. Second Units	Continue implementation and processing of second unit applications that are consistent with municipal code requirements.	Ongoing	Program continued in 2019. The pace of Accessory Dwelling Unit (ADU) entitlement and construction has accelerated.
8. Housing Incentives	Continue to implement housing incentives program (density bonus, modifications, and variances) and publicize such programs at the planning counter.	Ongoing	Program continued in 2019.
9. Lot Consolidation	Continue to encourage lot consolidations where feasible to encourage the construction of higher quality residential projects.	Ongoing	Program continued in 2019.
10. Neighborhood Improvements	Continue monitoring, planning, and programming for public improvements that serve the community.	Ongoing	Program continued in 2019. New land was purchased to expand Lee Owens Park, which serves a low-income community. Design is complete and construction will be underway in a couple months.
11. Inclusionary Housing	Continue monitoring state proposed legislation and refine IHO as necessary to ensure compliance with state law.	Ongoing	Inclusionary Ordinance was suspended due to Palmer decision. City is considering re-establishment of Inclusionary Ordinance as a result of recent State legislation.
12. Energy Conservation	Continue to encourage energy conservation through the CalGreen Code, home rehabilitation loan program, and targeted growth strategy into specific plan areas.	Ongoing	Program continued in 2019.
13. Homeownership Assistance	Complete the Gables Project and allocate AHOP funds. Seek additional funding opportunities to expand homeownership assistance.	Ongoing and annual basis	Program continued in 2019. City anticipates continued occasional resales of moderate-income affordable units at Gables and Guilford Court projects to new moderate-income households.
14. Rental Housing Assistance	Continue to allocate housing vouchers (LACDC). Promote the federal housing voucher program by providing brochures at the City planning counter, libraries, and other heavily traveled public places.	Ongoing	Program continued in 2019.
15. Residential Care Facilities	Revise definitions, as needed, for residential care facilities and family in the municipal code to comply with the most current provisions of State law. Continue to implement the reasonable accommodation ordinance.	2015-2016	On November 9, 2005, the City of Whittier approved Ordinance No. 2864 (ZCA 05-002) amending the Municipal Code to streamline approval of large family daycare (more than 8, less than 14 children). On July 10, 2007, the City of Whittier approved Ordinance No. 2896 (ZCA 07-002(B)) amending the Municipal Code to provide provisions for reasonable accommodation procedures for fair housing to disabled and handicap persons.

16. Housing for Disabled People	Support agencies in seeking funding, as available, for the provision of housing and services for people with disabilities, including developmental disabilities. Reach out to potential developers or service agencies as part of the annual Action Plan solicitation.	Annual	Program continued in 2019.
17. Fair Housing	Provide referrals to the Housing Rights Center and fair housing informational brochures at the public counter, senior center, and library.	Ongoing	Program continued in 2019. City allocated \$10,000 to Housing Rights Center to provide landlord/tenant counseling and other fair housing services to Whittier.
18. Employee Housing	Make amendments to the Whittier Municipal Code to allow for employee housing serving six or fewer residents.	2014	The City continues to offer a Police Homebuyer Incentive Program for Whittier PD officers who choose to purchase a home in the City.
19. Housing At Risk of Conversion	Monitor the affordable housing stock and work with owners to facilitate and encourage continued maintenance and rehabilitation. Preserve the affordability of Lutheran Towers for 55 years.	Ongoing 2014 for preservation	City assisted a housing developer in acquiring, rehabilitating, and preserving for new 55-year affordability term 155 units at Whittier Towers, and 74 units at the William Penn Manor.
20. Homeless Services	Continue to support homeless services as funds are available. Amend the zoning code to allow transitional and permanent supportive in all zones allowing residential uses, subject to the same permitting process and standards required of residential uses in the same zone.	2015-2016	Program continued in 2019. City allocated funding to Whittier Area First Day Coalition, The Whole Child, Women's and Children's Crisis Shelter, and Salvation Army to provide homeless person both shelter and services. City also approved a "Homeless Plan" with grant funding from Los Angeles County's Measure H. On February 23, 2010, the City of Whittier approved Ordinance No. 2948 (ZCA09-017) to comply with SB2 and permit emergency shelters as a matter of right in the M-zone.
21. Housing Administrative Capacity	Explore opportunities to transfer additional housing programs and responsibilities to the Housing Authority or other qualified entity. Annually review grants for housing, services, and infrastructure; periodically apply for grants subject to staffing availability.	Annual basis	Program continued in 2019.
22. Housing Element Monitoring Program	Submit annual progress reports to HCD. Seek funding for housing programs. Report on completion of preservation of Lutheran Towers.	Annual basis	Program continued in 2019. Lutheran Towers, now called Whittier Towers, was acquired, rehabilitated and preserved as affordable housing for an additional 55-year period.

Jurisdiction	Whittier
Reporting Period	2019 (Jan. 1 - Dec. 31)

# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

Table E							
Commercial Development Bonus Approved pursuant to GC Section 65915.7							
Project Identifier		Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1		2				3	4
APN	Street Address	Project Name +	Local Jurisdiction Tracking ID +	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Summary Row: Start Data Entry Below							
NONE AT THIS TIME							
NONE AT THIS TIME							
NONE AT THIS TIME							

# ANNUAL ELEMENT PROGRESS REPORT

## Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Whittier
Reporting Period	2019 (Jan. 1 - Dec. 31)

Note: "+" indicates an optional field  
Cells in grey contain auto-calculation formulas

**Table F**

### Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)

This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).

Activity Type	Units that Do Not Count Towards RHNA* Listed for Informational Purposes Only			Units that Count Towards RHNA* Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.			TOTAL UNITS*	The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1*
	Extremely Low-Income*	Very Low-Income*	Low-Income*	Extremely Low-Income*	Very Low-Income*	Low-Income*		
Rehabilitation Activity								
Preservation of Units At-Risk								
Acquisition of Units								
Total Units by Income								





<b>Jurisdiction</b>	Whittier	
<b>Reporting Year</b>	2019	(Jan. 1 - Dec. 31)

<b>Building Permits Issued by Affordability Summary</b>		
<b>Income Level</b>		<b>Current Year</b>
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	22
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		95
<b>Total Units</b>		<b>117</b>

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

<b>Housing Applications Summary</b>	
Total Housing Applications Submitted:	171
Number of Proposed Units in All Applications Received:	130
Total Housing Units Approved:	65
Total Housing Units Disapproved:	0

<b>Use of SB 35 Streamlining Provisions</b>	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

<b>Units Constructed - SB 35 Streamlining Permits</b>			
<b>Income</b>	<b>Rental</b>	<b>Ownership</b>	<b>Total</b>
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Cells in grey contain auto-calculation formulas



# Agenda Report

City Council

**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Jeff Adams, Director of Community Development  
Rigoberto Garcia, City Clerk

**Subject:** Reappointment of Planning Commissioner

## **RECOMMENDATION**

Reappoint Laura Cornejo to the Planning Commission to the vacant office expiring on July 1, 2021.

## **DISCUSSION**

The City has several advisory boards, commissions, and committees including the Planning Commission. The Planning Commission has four active Commissioners and one vacancy. The Municipal Code and City Council Advisory Board Appointment Policy and Procedures sets forth the traditional mean to fill unscheduled vacancies including advertisements and in-person interviews of applicants. Due to the nature of COVID-19, in-person interviews are not recommended; and teleconference meetings propose challenges with public disclosure and quasi-isolated conversations during interviews. The City met Maddy Act requirements set forth in Government Code Section 54974 by noticing the unscheduled vacancy on August 27, 2019.

Former Commissioner Laura Cornejo resigned from her position on August 26, 2019 due to conflicts with her work schedule. Ms. Cornejo has indicated that her schedule now allows her to be a part of the Planning Commission if she is reappointed. The balance of the vacant term is through July 1, 2021. Ms. Cornejo had one absence during her tenure before resigning. Ms. Cornejo is familiar with Planning Commission processes and procedures and her reappointment would make for a smooth transition. Reappointment of Ms. Cornejo would also help secure a quorum during meetings and help prevent tie votes.

## **FISCAL IMPACT**

There is no fiscal impact associated with this report.

## **ATTACHMENTS**

None.





# Agenda Report

City Council

**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Kyle Cason, Director of Public Works  
Helen Gonzalez, Engineering Technician

**Subject:** Lighting Assessment District No. 01-91 (Foxley Drive)  
Preliminary Budget and Engineer’s Report

## **RECOMMENDATION**

Approve the Engineer’s Report for Fiscal Year 2020-21, on Street Lighting Assessment District No. 01-91; and adopt Resolution No. 2020-26 declaring its intention to levy and collect Fiscal Year 2020-21 Foxley Drive Street lighting assessment, and setting a public hearing for June 23, 2020 at 6:00 p.m.

## **BACKGROUND**

In accordance with the Landscaping and Lighting Act of 1972, the City engineer is required to annually submit an engineer’s report on Street Lighting Assessment District No. 01-91 for City Council approval. A public hearing is then held at a future Council meeting at which time the assessments are confirmed. Notice of public hearing is given by publication in the *Whittier Daily News* and, although not required, additional notice is provided by posting notices on the streetlight poles within the district.

## **DISCUSSION**

Property owners within the district will continue to be assessed only for the energy and maintenance costs associated with the operation of the district’s street lighting system. A total of \$1,199.80 in Fiscal Year 2020-21 is to be assessed for the annual energy and maintenance costs for the street lighting system. The individual property tax assessment for each of the 28 parcels in the district is \$42.85, which is the same as the prior year’s assessments.

## **FISCAL IMPACT**

The projected revenue and expenditures for Fiscal Year 2020-21 for Street Lighting Assessment District 01-91 are as follows:

Estimated Revenues	\$1,380
Proposed Appropriations	<u>(1,274)</u>
Projected 20-21 Operating Surplus	106
Projected Fund Balance 7/1/20	<u>403</u>
Projected Fund Balance 6/30/21	<u>\$ 509</u>

**ATTACHMENTS**

- A. Engineer's Report
- B. Resolution No. 2020-26



ENGINEER'S REPORT  
ASSESSMENT DISTRICT NO. 01-91  
STREET LIGHTING  
FOXLEY DRIVE  
FROM  
SANTA FE SPRINGS ROAD TO VILLA DRIVE

City of Whittier  
Department of Public Works  
13230 Penn Street  
Whittier, California 90602

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Kyle Cason, PE  
Director of Public Works/City Engineer

May 12, 2020

**REPORT**  
**“LANDSCAPING AND LIGHTING ACT OF 1972”**

The CITY COUNCIL of the CITY OF WHITTIER, CALIFORNIA, has adopted a resolution ordering the preparation and filing of an Engineer’s Report pursuant to the provisions of the “Landscaping and Lighting Act of 1972”, being Division 12, part 2 of the Street and Highways Code of the State of California, commencing with Section 22500 (the “Act”), for purposes of authorizing the levy of special assessments for certain work in a special assessment district known and designated as ASSESSMENT DISTRICT NO. 01-91 (STREET LIGHTING) (hereinafter referred to as the “District”).

This “Report”, as ordered by the legislative body, is prepared and submitted in four parts, consisting of the following:

- PART I. PLANS AND SPECIFICATIONS: The plans and specifications describe the general nature, location and extent of the improvements installed and maintained during the next fiscal year, and said plans and specifications, as applicable, indicate the classes and types of improvement for each zone within the District.
- PART II. COST ESTIMATE: The cost estimate includes all costs relating to installation and maintenance of the improvements for the next fiscal year, including appropriate incidental expenses, as well as for surpluses or credits and contributions from any source, as applicable.
- PART III. ASSESSMENT DIAGRAM: The Assessment Diagram indicates the exterior boundaries of any zones within the District, as well as setting forth each individual lot or parcel. Each parcel is identified by a distinctive number or letter and the lines and dimensions of each lot shall conform to those as shown on the latest County Assessor’s Map.
- PART IV. ASSESSMENT SCHEDULE: The assessment schedule sets forth the net amount to be assessed upon all parcels and lands within the District, describing each assessable lot or parcel by reference to a specific number, and assessing the net amount upon the lots in proportion to the benefits to be received by each lot or parcel as shown on the above-referenced diagram.

All lots and parcels of land known as public property, as defined under Section 22663 of said “Landscaping and Lighting Act of 1972”, have been omitted and are exempt from any assessment under these proceedings.

This “Report” is applicable for the installation and maintenance improvements within the District for the fiscal year commencing July 1, 2020 and ending June 30, 2021.

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

KYLE CASON, PE  
Director of Public Works/City Engineer  
City of Whittier  
State of California

\_\_\_\_\_  
Rigoberto Garcia, Jr.  
City Clerk



PART I  
PLANS AND SPECIFICATIONS

The plans and specifications for the works of improvement are on file in the Office of the City Clerk, available for public inspection. The plans and specifications show the general nature, location and extent of the improvements installed and maintained.

A general description of the works of improvement installed and maintained under these proceedings are those generally described as follows:

The installation and maintenance of streetlight improvements in FOXLEY DRIVE between Santa Fe Springs Road and Villa Drive are shown on the City of Whittier Public Works Plan designated as L-218.

PART II  
ACTUAL COSTS

The total costs for installation was funded over the first five (5) years (1991 – 1996). Installation cost and annual maintenance cost of the improvements are those hereinafter set forth. Said cost will also set forth the amount of any surplus or deficit in the Improvement Fund to be carried over, as well as the amount of any contributions to be made from any sources.

Cost of Street Light Installation	\$25,883.93
Subtotal	\$25,883.93
Incidentals (related to installation):	
A. City Administration	\$ 1,000.00
B. Legal Fees	39.00
C. Engineering Consultants	7,536.00
Total Incidentals	\$ 8,575.00
Total Cost	34,458.93
Total advancement*	38,875.00
Surplus or Deficit	4,416.07
Annual Assessment related to installation**	0.00
FY 19-20 Cost of Annual Maintenance	1,369.00
FY 19-20 Total Annual Assessment***	1,199.80

\* The Advancement will be a temporary advance to the Improvement Fund to be repaid from Annual Assessments over a 5-year period.

\*\* The Annual Assessment for the installation is amortized at 5% annual interest over the first five years (1991-1996).

\*\*\* The Total Annual Assessment includes Cost of Annual Maintenance.

PART III  
ASSESSMENT DIAGRAM

The assessment diagram set forth (a) the exterior boundaries of the District, (b) the boundaries of any zones within the District, and (c) the lines of each lot or parcel by a distinctive number or letter, and for a detailed description of the lines and dimensions of any lot or parcel, reference is made to the County Assessor's Map applicable for the next fiscal year, which map shall govern for all details concerning the lines and dimensions of such lots or parcels. A copy of the assessment diagram is attached hereto referenced and incorporated.

PART IV  
ASSESSMENT SCHEDULE

The undersigned, the appointed ASSESSMENT ENGINEER, by virtue of the power vested pursuant to the Act, and by order of the legislative body, hereby make the following assessment to cover the costs and expenses for the installation and maintenance of the works of improvements within the District for the fiscal year. Said costs and expenses are generally as follows:

Cost of Improvements	\$25,883.93
Incidental Expenses	8,575.00
Total Costs	34,458.93
Advancement	38,875.00
Surplus/Deficit	4,416.07
Total Interest Expense	5,059.25
Total Assessment	39,518.18
FY 20-21 Total Annual Assessment	1,199.80

I, Kyle Cason, the appointed Assessment Engineer, hereby state that I am a Registered Civil Engineer of the State of California, and currently serving as Director of Public Works and City Engineer for the City of Whittier, California. I further stated that I have full knowledge and understanding of the improvement, and I am qualified to determine the method of assessment to cover the cost and expenses for the installation and maintenance. In my opinion, all parcels within the district derive equal benefit from the installation of the street lighting system as each parcel is a single family residential zoned lot limited on only one residential structure per legal lot, and the variances in the present lot frontage widths are insignificant. In the event of future combination of lots by subdivision, the spread of assessment shall be directly prorated based on the width of frontage in excess of 63 feet measured parallel with the centerline of Foxley Drive.

I do hereby assess and apportion the net amount of the costs and expenses upon the several parcels of land within the District liable therefore and benefited thereby, in proportion to the estimated benefits that each parcel receives, respectively, and said parcels are hereinafter numbered and set forth to correspond with the numbers as they appear on the attached Assessment Diagram and the County Assessment Roll.

The Assessment Schedule refers to the County Assessment Roll for a description of the lots or parcels, and said roll shall govern for all details concerning the description of the lots or parcels.

The net amounts to be assessed upon the lands has been spread and apportioned by any formula in accordance with the benefits received from each parcel, and in my opinion, said costs and expenses have been apportioned in direct relationship to the benefits received from the maintenance of the improvement.

For a more specific statement as to the method and formula or the spread of the assessments, reference is made to the following list of annual assessments:

THE ASSESSMENTS ARE THOSE AS CONFIRMED IN COLUMN III, WHICH INCLUDES THE ANNUAL COST OF MAINTENANCE.

ASSESSMENT NO.	COST OF MAINTENANCE	AMOUNT OF ASSESSMENT
8166-06-29	\$42.85	\$42.85
8166-06-30	\$42.85	\$42.85
8166-06-31	\$42.85	\$42.85
8166-06-32	\$42.85	\$42.85
8166-06-33	\$42.85	\$42.85
8166-06-34	\$42.85	\$42.85
8166-06-35	\$42.85	\$42.85
8166-06-36	\$42.85	\$42.85
8166-06-56	\$42.85	\$42.85
8166-06-37	\$42.85	\$42.85
8166-06-38	\$42.85	\$42.85
8166-06-39	\$42.85	\$42.85
8166-06-40	\$42.85	\$42.85
8166-06-41	\$42.85	\$42.85
8166-07-38	\$42.85	\$42.85
8166-07-47	\$42.85	\$42.85
8166-07-39	\$42.85	\$42.85
8166-07-40	\$42.85	\$42.85
8166-07-41	\$42.85	\$42.85
8166-07-42	\$42.85	\$42.85
8166-07-48	\$42.85	\$42.85
8166-07-49	\$42.85	\$42.85
8166-07-52	\$42.85	\$42.85
8166-07-43	\$42.85	\$42.85
8166-07-50	\$42.85	\$42.85
8166-07-51	\$42.85	\$42.85
8166-07-56	\$42.85	\$42.85
8166-07-44	\$42.85	\$42.85

Total Annual Assessment \$1,199.80

This assessment has been prepared pursuant to the "Landscaping and Lighting Act of 1972."

The net amount to be assessed upon the lands and parcels within the boundaries of the District has been spread and apportioned in accordance with the benefits received from the improvements, and in my opinion, the costs and expenses have been assessed in direct relationship to the benefits received from the installation and maintenance of the works of improvement.

DATED: \_\_\_\_\_

BY: \_\_\_\_\_

KYLE CASON, PE  
 Director of Public Works/City Engineer  
 City of Whittier  
 State of California

\_\_\_\_\_  
 RIGOBERTO GARCIA, JR.  
 City Clerk

A copy of said Assessment Roll and Engineer's Report was filed in the offices to the City Clerk and the City Engineer on the 23<sup>rd</sup> day of June 2020.

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RIGOBERTO GARCIA, JR.  
City Clerk  
City of Whittier  
State of California

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KYLE CASON, PE  
Director of Public Works/  
City Engineer  
City of Whittier  
State of California

Final approval, confirmation and levy of the annual assessment and all matters in the Engineer's Report were made on the 23<sup>rd</sup> day of June 2020, by adoption of Resolution No. ~~2020-XX~~ by the City Council.

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RIGOBERTO GARCIA, JR.  
City Clerk  
City of Whittier  
State of California

RESOLUTION NO. 2020-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT FISCAL YEAR 2020-21 FOXLEY DRIVE STREET LIGHTING ASSESSMENT, AND SETTING A PUBLIC HEARING FOR JUNE 23, 2020 AT 6:00 P.M.

RECITALS

- A. The City Council of the City of Whittier, California, has ordered and approved an Engineer's Report for the certain special Assessment District proceedings pursuant to the terms and provisions of the Landscaping and Lighting Act of 1972, being Division 15, Part 2 of the Streets and Highways Code of the State of California, in what is known and designated as Assessment District No. 01-91 (Street Lighting) (hereinafter referred to as the Assessment District); and
- B. The cost of the installation of the improvements is greater than that which can be conveniently raised from any single annual installment, and said amount shall be raised by assessments levied and collected over a period of years.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITTIER, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

SECTION 1. That the public interest and convenience requires, and it is the intention of this legislative body to levy and collect assessments to pay the costs and expenses for the following designated works of improvement:

The works of improvement shall include the installation and maintenance of streetlight improvements on Foxley Drive between Santa Fe Springs Road and Villa Drive. For particulars as to the location of said work, reference is made to the boundary map and Engineer's Report as previously approved and on file in the office of the City Clerk.

SECTION 2. Said works of improvement are of direct benefit to the properties within the boundaries of said Assessment District, which District the legislative body previously declared to be the area benefited by said works of improvement, and for particulars reference is made to the proposed boundary map as previously approved by this legislative body, a copy of which is on file in the office of the City Clerk and open for public inspection, and designated by the name of this Assessment District.

SECTION 3. The public interest and convenience requires, and it is the intention of this legislative body to order the annual levy of assessments for the installation and maintenance of the above works of improvement as set forth and described in the Engineer's Report.

SECTION 4. The Report of the Engineer on file with the City Clerk, setting forth a full and detailed description of the works of improvement, the boundaries of the Assessment District and the assessment upon assessable lands, as previously approved, is on file in the office of the City Clerk and open for public inspection. Reference is made to said document for all particulars relating to these proceedings.

SECTION 5. Notice is hereby given that Tuesday, the 23<sup>rd</sup> day of June, 2020, at the hour of 6:00 p.m. in the regular meeting place of the City Council, being the Council Chamber in City Hall, is the time and place fixed by the district, to the extent of the works of maintenance, and to the method and formula of the assessment. Any person wishing to object to these proceedings and all matters as set forth in this resolution of intention should file a written protest with the City Clerk prior to the time set for the public hearing.

SECTION 6. It is hereby determined that public property owned by any public agency and in the use and performance of a public function and which is included within the boundaries of this Assessment District shall be omitted and exempt from any assessment made under these proceedings. If any railroad, gas, water or electric utility right-of-way shall be included within the boundaries of the Assessment District and subject to assessment, in determining the extent of benefit, it shall be presumed that its use as a utility shall be permanent.

SECTION 7. It is hereby further determined that available and unencumbered funds were advanced to pay for the costs of the installation of the improvements, and said advance was repaid from annual installments not exceeding \$350 per year per parcel. This does not include annual costs necessary for operation, service and maintenance.

SECTION 8. That the City Clerk is hereby authorized to publish the Resolution of Intention in the *Whittier Daily News*, a newspaper of general circulation within said City; one time, not less than 10 days prior to the date set for the public hearing.

SECTION 9. For any and all information relating to these proceedings, including information relating to protest procedure, your attention is directed to the person designated below:

KYLE CASON, PE  
DIRECTOR OF PUBLIC WORKS/CITY ENGINEER  
CITY OF WHITTIER  
13230 PENN STREET  
WHITTIER, CA 90602  
TELEPHONE: (562) 567-9500

SECTION 10. The City Clerk shall certify to the passage and adoption hereof.

APPROVED AND ADOPTED this 12<sup>th</sup> day of May, 2020.

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JOSEPH A. VINATIERI, Mayor

ATTEST:

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RIGOBERTO GARCIA, JR., City Clerk  
(seal)





# Agenda Report

City Council and Whittier Utility Authority

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**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Monica Lo, Director of Administrative Services

**Subject:** 2020 Water Refunding Revenue Bonds (Continued from April 28, 2020)

## **RECOMMENDATION**

City Council:

- 1) Conduct a public hearing related to the issuance of Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020 (Bank Qualified), in an amount not to exceed \$7,000,000;
- 2) Adopt Resolution No. 2020-24 approving the issuance of the Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020, approving the form and authorizing the execution of a bond purchase agreement and a continuing disclosure certificate, approving a preliminary official statement and authorizing actions related thereto; and
- 3) Authorize the City Manager or designee to execute necessary documents.

Whittier Utility Authority Board:

- 1) Adopt Resolution No. WUA-2020-01 authorizing the issuance and sale of its Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020, approving the form and authorizing the execution of a first supplemental indenture, a bond purchase agreement and an escrow agreement, approving a preliminary official statement and authorizing actions related thereto; and
- 2) Authorize the Executive Director to execute necessary documents.

## **BACKGROUND**

The City's water system, including supply, distribution and storage components, consists of seven wells, two pumping plants, a settling basin, three major reservoirs, eight sub-reservoirs, seven booster stations and auxiliary pumps. The system serves approximately 52% of the City.

In 2009, WUA issued bonds in the principal amount of \$9,095,000 through a combination of tax-exempt water revenue bonds and taxable Build America water revenue bonds for various improvements to water production, storage and distribution (the "2009 Bonds"). In 2012, WUA issued tax-exempt water revenue bonds, Series 2012 (Subordinate Lien) in the amount of \$10,085,000 to finance the pumping plant system (the "2012 Bonds").

Current market interest rates are near historic lows. Due to improvement in interest rates, staff has evaluated the debt service savings from refinancing the 2009 Bonds through the issuance of the 2020 Bonds, based on market conditions as of April 20, 2020.

### Financing Team

The following team of professionals has been the City's financing team for almost two decades and have provided assistance in the analysis and potential issuance of this bond:

- Ross Financial – as Municipal Advisor to assist in the development of appropriate financing structure and financing terms, review of related bond documents, assist in rating agency presentations, review debt schedules and oversee bond pricing. Ross Financial has been involved with prior Whittier bond issues, including the WUA formation and is familiar with the Authority's potential financing issues. Ross Financial also served as municipal advisor on previous Redevelopment Agency and WUA bonds.
- Stifel, Nicolaus & Company – as Underwriters, due to its familiarity with the City and California municipal issuers, having provided underwriting services on prior City of Whittier, Redevelopment Agency, and WUA bond issues. As one of the largest underwriters in California, Stifel is well-qualified to perform the required services.

Stradling Yocca Carlson & Rauth as Bond Counsel and disclosure counsel, ranked as the number two bond counsel and number one disclosure counsel in California by number of transactions. The Firm is familiar with the City, having served as underwriter's counsel on the Whittier Utility's Authority's 2012 revenue bond issuance and on the Successor Agency's 2015 tax allocation refunding bond issuance. They will be responsible for finalizing the bond indenture and other legal documents, including the official statement.

The public hearing was continued from the April 28, 2020 City Council meeting.

### DISCUSSION

The purpose of the issuance of 2020 Bonds is to refinance the outstanding 2009 Bonds for debt service savings. Debt service savings will be available to fund additional operating and capital expenditures related to the water system.

The 2020 Bonds will be issued as tax-exempt, current refunding bonds on a parity with the 2012 Bonds. The proposed bonds will be issued without a debt service reserve fund which, in the views of Ross Financial and Stifel, Nicolaus & Company, will result in a more efficient financing structure.

Staff made a presentation to the rating agency, Standard & Poor's, on April 14, and this issuance received an investment grade rating of "AA" category.

Notice of the public hearing was satisfied by publishing the notice in the *Whittier Daily News* and by posting at the City Hall, Central Library, and Branch Library bulletin boards on April 21, 2020 (Attachment A).

### **FISCAL IMPACT**

Debt Service is estimated at \$436,000 annually through 2039, which is approximately \$107,000 per year lower than the 2009 Bonds. Based on market conditions as of April 20, 2020, total debt service savings are estimated at \$2,034,256 and net present value savings are estimated at \$996,950, inclusive of all issuance fees. Based on rates as of April 20, 2020, the average rate on the 2009 Bonds to be refunded approximately 4.35% (assuming a 70% subsidy rate for the Build America Bonds) vs. an average rate of 2.09% on the 2020 Bonds.

Fees associated with this financing, except for the Standard & Poor's rating fee, are contingent on the issuance of the 2009 Bonds and are payable solely from 2020 Bond proceeds. Total cost of issuance, including underwriter's discount, trustee, rating agency fees, and other costs are anticipated to be approximately \$192,120. See more detailed information in the accompanying Disclosure Report required by California Government Code Section 5852.1.

### **ATTACHMENTS**

- A. Public Hearing Notice
- B. Resolution No. WUA-2020-01
- C. Resolution No. 2020-24
- D. First Supplemental Indenture
- E. Preliminary Official Statement
- F. Bond Purchase Agreement
- G. Escrow Agreement
- H. Disclosure Report
- I. Government Code Section 5852.1 Disclosure

**NOTICE OF PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that the City Council of the City of Whittier (the "City") on Tuesday, April 28, 2020, at the hour of 6:30 P.M., or as soon thereafter as the matter can be heard, in the Council Chamber of City Hall, 13230 Penn Street, Whittier, California, will hold a public hearing in accordance with Section 6586.5(a)(2) of the California Government Code with respect to the refinancing of improvements by means of the issuance of revenue bonds (the "Bonds") by the Whittier Utility Authority (the "Authority") in an amount not-to-exceed \$7,000,000, the proceeds of which will be used to (a) refund, on a current basis, the Authority's outstanding Water Revenue Bonds, 2009 Series A, issued to finance various improvements to the City of Whittier's water production, storage and distribution enterprise (the "Enterprise"), and (b) pay the costs of issuance of the Bonds.

Notice is further given that at said hearing all interested persons will have an opportunity to be heard with respect to the financing of the improvements with proceeds of the Bonds and the public benefits arising from the financing. Written comments may be submitted at or before the hearing to Mr. Rigo Garcia, City Clerk, City of Whittier, 13230 Penn Street, Whittier, CA 90602, (562) 567-9850. For further information regarding the financing, contact Ms. Monica Lo, Director of Administrative Services, at (562) 567-9810 or [mlo@cityofwhittier.org](mailto:mlo@cityofwhittier.org).

Publish: April 21, 2020

[TO BE PUBLISHED NO LATER THAN APRIL 21, 2020]

## RESOLUTION NO. WUA-2020-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WHITTIER UTILITY AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF ITS WHITTIER UTILITY AUTHORITY WATER REFUNDING REVENUE BONDS, SERIES 2020, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A FIRST SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT AND AN ESCROW AGREEMENT, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING ACTIONS RELATED THERETO

RECITALS

- A. The Whittier Utility Authority (the "Authority") is a joint powers entity duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of February 1, 2002, by and between the City of Whittier (the "City") and the Whittier Public Financing Authority (collectively, the "Members"), and under the provisions of Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities, including the Members, and to provide financing for public capital improvements of public entities, including the Members.
- B. Pursuant to that certain Lease Agreement (Water Enterprise), dated as of February 1, 2002, as amended (the "Lease Agreement"), by and between the City and the Authority, the City leased its municipal water enterprise (the "Enterprise") to the Authority and the Authority leased the Enterprise from the City.
- C. Pursuant to the Lease Agreement, the Authority assumed all rights and obligations with respect to the Enterprise although the City retained control of the operation and maintenance of the Enterprise on behalf of the Authority.
- D. The Authority has heretofore authorized, issued and sold its Whittier Utility Authority Water Revenue Bonds, 2009 Series A (the "2009 Bonds"), to finance improvements to the Enterprise.
- E. The 2009 Bonds were issued under and pursuant to an indenture of trust, dated as of October 1, 2009, by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee").
- F. The 2009 Bonds were issued as (i) bonds the interest on which is excluded from gross income for purposes of federal income taxation, and (ii) bonds designated as "Build America Bonds" ("Build America Bonds") under the provisions of the

American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation.

- G. The Authority has also heretofore authorized, issued and sold Whittier Utility Authority Water Revenue Bonds, Series 2012 (Subordinate Lien) (the “2012 Bonds”), to finance improvements to the Enterprise.
- H. The 2012 Bonds were issued under and pursuant to an indenture of trust, dated as of November 1, 2012, by and between the Authority and the Trustee (the “2012 Indenture”).
- I. The payment of the principal of and interest on the 2009 Bonds is secured by a pledge of the net revenues derived from the operation of the Enterprise and, in the case of the 2009 Bonds issued as Build America Bonds, from cash subsidy payments from the United States Treasury.
- J. The payment of the principal of and interest on the 2012 Bonds is secured by a pledge of, and subordinate lien on, the net revenues derived from the operation of the Enterprise which are remaining after the payment of the 2009 Bonds.
- K. Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the “Refunding Bond Law”) authorizes the Authority to issue refunding bonds for the purpose of refunding obligations of the Authority.
- L. After due investigation and deliberation, the City and the Authority have determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to refund the 2009 Bonds.
- M. To that end, the Authority has determined to issue its refunding revenue bonds, to be designated as the Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020 (the “Bonds”), to refund the 2009 Bonds.
- N. The Bonds will be secured by a pledge of the net revenues derived from the operation of the Enterprise on a parity as to payment and security with the 2012 Bonds.
- O. The firm of Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has proposed to purchase and underwrite the Bonds.
- P. The Board of Directors (the “Board”) of the Authority has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the Authority.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE WHITTIER UTILITY AUTHORITY DOES RESOLVE AS FOLLOWS:

SECTION 1. Determination to Refund the 2009 Bonds. The Board hereby determines to carry out the issuance and sale of the Bonds to refund the 2009 Bonds.

SECTION 2. Issuance of the Bonds; Approval of First Supplemental Indenture. The Board hereby authorizes the issuance of the Bonds. The Bonds shall be issued pursuant to the 2012 Indenture, as amended and supplemented by an indenture supplemental to the 2012 Indenture (the "First Supplemental Indenture"). The Board hereby approves the First Supplemental Indenture in the form on file with the Secretary, together with such additions thereto and changes therein as the Chair, the Vice Chair, the Executive Director, the Treasurer or the Auditor of the Authority (the "Designated Officers") shall deem necessary, desirable or appropriate, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute, and the Secretary is hereby authorized and directed to attest to, the final form of the First Supplemental Indenture for and in the name and on behalf of the Authority. The Board hereby authorizes the delivery and performance of the First Supplemental Indenture.

SECTION 3. Sale of Bonds. The Board hereby approves the sale of the Bonds by negotiation with the Underwriter, pursuant to a bond purchase agreement (the "Bond Purchase Agreement") in the form on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Bond Purchase Agreement for and in the name and on behalf of the Authority upon the submission of an offer by the Underwriter to purchase the Bonds which offer is acceptable to a Designated Officer and consistent with the requirements of this Resolution, so long as the debt service payments with respect to the Bonds results in net present value savings of at least 3% as compared to the debt service payments with respect to the 2009 Bonds. The amount of Underwriter's discount for the Bonds shall be not more than 1% of the par amount thereof (not taking into account any original issue discount on the sale thereof).

SECTION 4. Approval of Escrow Agreement. The Board hereby approves an escrow agreement (the "Escrow Agreement"), by and between the Authority and U.S. Bank National Association, as escrow bank, relating to the refunding of the 2009 Bonds, in the form on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Escrow Agreement for and in the name and on behalf of the Authority.

SECTION 5. Official Statement. The Authority hereby approves a preliminary official statement (the "Preliminary Official Statement") in the form on file with the Secretary, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate. The Designated Officers, each acting alone, are hereby authorized and directed to deem final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, except for permitted omissions, the Preliminary Official Statement. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. The Designated Officers, each acting alone, are hereby authorized to execute the final form of an official statement (the "Official Statement"), including as it may be modified by such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, and the execution of the Official Statement by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Authority hereby authorizes the distribution of the Official Statement by the Underwriter. The Official Statement shall be executed in the name and on behalf of the Authority by a Designated Officer.

SECTION 6. Appointment of Bond and Disclosure Counsel. The City hereby appoints Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("SYCR"), to act and bond counsel and disclosure counsel in connection with the issuance of the Bonds. The Designated Officers are authorized and directed to execute an agreement with SYCR on terms that are deemed advisable by the Executive Director.

SECTION 7. Official Actions. The Chair, the Vice Chair, the Executive Director, the Secretary, the Auditor and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

SECTION 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.



SECTION 9. Certification. The Secretary shall certify to the passage and adoption thereof.

APPROVED AND ADOPTED this 12th day of May, 2020.

\_\_\_\_\_  
JOSEPH A. VINATIERI, Chair

ATTEST:

\_\_\_\_\_  
RIGOBERTO GARCIA JR., Secretary

## RESOLUTION NO. 2020-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, CALIFORNIA, APPROVING THE ISSUANCE OF THE WHITTIER UTILITY AUTHORITY WATER REFUNDING REVENUE BONDS, SERIES 2020, APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE CERTIFICATE, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING ACTIONS RELATED THERETO

RECITALS

- A. The Whittier Utility Authority (the “Authority”) is a joint powers entity duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of February 1, 2002, by and between the City of Whittier (the “City”) and the Whittier Public Financing Authority (collectively, the “Members”), and under the provisions of Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of, or for the purpose of making loans to, public entities, including the Members, and to provide financing for public capital improvements of public entities, including the Members.
- B. Pursuant to that certain Lease Agreement (Water Enterprise), dated as of February 1, 2002, as amended (the “Lease Agreement”), by and between the City and the Authority, the City leased its municipal water enterprise (the “Enterprise”) to the Authority and the Authority leased the Enterprise from the City.
- C. Pursuant to the Lease Agreement, the Authority assumed all rights and obligations with respect to the Enterprise, although the City retained control of the operation and maintenance of the Enterprise on behalf of the Authority.
- D. The Authority has heretofore authorized, issued and sold its Whittier Utility Authority Water Revenue Bonds, 2009 Series A (the “2009 Bonds”), to finance improvements to the Enterprise.
- E. The 2009 Bonds were issued under and pursuant to an indenture of trust, dated as of October 1, 2009, by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”).
- F. The 2009 Bonds were issued as (i) bonds the interest on which is excluded from gross income for purposes of federal income taxation, and (ii) bonds designated as “Build America Bonds” (“Build America Bonds”) under the provisions of the

American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation.

- G. The Authority has also heretofore authorized, issued and sold Whittier Utility Authority Water Revenue Bonds, Series 2012 (Subordinate Lien) (the “2012 Bonds”), to finance improvements to the Enterprise.
- H. The 2012 Bonds were issued under and pursuant to an indenture of trust, dated as of November 1, 2012, by and between the Authority and the Trustee (the “2012 Indenture”).
- I. The payment of the principal of and interest on the 2009 Bonds is secured by a pledge of the net revenues derived from the operation of the Enterprise and, in the case of the 2009 Bonds issued as Build America Bonds, from cash subsidy payments from the United States Treasury.
- J. The payment of the principal of and interest on the 2012 Bonds is secured by a pledge of, and subordinate lien on, the net revenues derived from the operation of the Enterprise which are remaining after the payment of the 2009 Bonds.
- K. Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the “Refunding Bond Law”) authorizes the Authority to issue refunding bonds for the purpose of refunding obligations of the Authority.
- L. After due investigation and deliberation, the City and the Authority have determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to refund the 2009 Bonds.
- M. To that end, the Authority has determined to issue its refunding revenue bonds, to be designated as the Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020 (the “Bonds”), to refund the 2009 Bonds.
- N. The Bonds will be secured by a pledge of the net revenues derived from the operation of the Enterprise on a parity as to payment and security with the 2012 Bonds.
- O. The firm of Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has proposed to purchase and underwrite the Bonds.
- P. The City Council (the “Council”) of the City desires to make a finding of significant public benefit pursuant to section 6586.5(a)(2) of the California Government Code, and to approve the financing and the transactions contemplated by the 2020 Bonds.

Q. The Council has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITTIER, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

SECTION 1. Findings. The Council hereby finds that (a) significant public benefits will arise from the financing in accordance with section 6586 of the California Government Code in that refunding the 2009 Bonds will result in savings in debt service payable by the Enterprise and (b) the improvements financed by the 2009 Bonds include facilities for the production, storage, transmission or treatment of water or wastewater within the meaning of Section 6586.5(c) of the Act.

SECTION 2. Approval of the Issuance of the 2020 Bonds. The Council hereby approves the issuance of the Bonds to refund the 2009 Bonds. The Bonds shall be issued pursuant to pursuant to the 2012 Indenture, as amended and supplemented by an indenture supplemental to the 2012 Indenture. In the event the Lease Agreement is, for any reason, terminated prior to the final payment of all 2020 Bonds, the City will assume all of the Authority's obligations for the payment of the principal of and interest on the 2020 Bonds. The Council hereby authorizes the Mayor, the Mayor Pro Tem, the City Manager or the Administrative Services Director (the "Designated Officers") to execute an approval thereof in the such supplemental indenture,

SECTION 3. Sale of Bonds. The Council hereby approves the sale of the Bonds by negotiation with the Underwriter pursuant to a bond purchase agreement (the "Bond Purchase Agreement") in the form on file with the City Clerk, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by the City shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Bond Purchase Agreement for and in the name and on behalf of the City upon the submission of an offer by the Underwriter to purchase the Bonds which offer is acceptable to a Designated Officer and consistent with the requirements of this Resolution, so long as the debt service payments with respect to the Bonds results in net present value savings of at least 3% as compared to the debt service payments with respect to the 2009 Bonds. The amount of Underwriter's discount for the Bonds shall be not more than 1% of the par amount thereof (not taking into account any original issue discount on the sale thereof).

SECTION 4. Continuing Disclosure Certificate. The Council hereby approves a continuing disclosure certificate (the "Continuing Disclosure Certificate") in the form on file with the City Clerk, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, the execution of which by the City shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized and directed to execute the final form of the Continuing Disclosure Certificate for and in the name and on behalf of the City.

SECTION 5. Official Statement. The Council hereby approves a preliminary official statement (the "Preliminary Official Statement") in the form on file with the City Clerk, together with such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate. The Designated Officers, each acting alone, are hereby authorized and directed to deem final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 except for permitted omissions, the Preliminary Official Statement. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. The Designated Officers, each acting alone, are hereby authorized to execute the final form of an official statement (the "Official Statement"), including as it may be modified by such additions thereto and changes therein as a Designated Officer shall deem necessary, desirable or appropriate, and the execution of the Official Statement by the City shall be conclusive evidence of the approval of any such additions and changes. The Council hereby authorizes the distribution of the Official Statement by the Underwriter. The Official Statement shall be executed in the name and on behalf of the City by a Designated Officer.

SECTION 6. Appointment of Bond and Disclosure Counsel. The City hereby appoints Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("SYCR"), to act and bond counsel and disclosure counsel in connection with the issuance of the Bonds. The Designated Officers are authorized and directed to execute an agreement with SYCR on terms that are deemed advisable by the City Manager.

SECTION 7. Official Actions. The Mayor, the Mayor Pro Tem, the City Manager, the Administrative Services Director and any and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Bonds and the consummation of the transactions as described herein.

SECTION 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

SECTION 9. Certification. The City Clerk shall certify to the passage and adoption thereof.

APPROVED AND ADOPTED this 12th day of May, 2020.

\_\_\_\_\_  
JOSEPH A. VINATIERI, Mayor

ATTEST:

\_\_\_\_\_  
RIGOBERTO GARCIA JR., City Clerk

**FIRST SUPPLEMENTAL INDENTURE OF TRUST**

**by and between the**

**WHITTIER UTILITY AUTHORITY**

**and**

**U.S. BANK NATIONAL ASSOCIATION, as Trustee**

**Dated as of June 1, 2020**

**Amending and Supplementing that certain  
Indenture of Trust, dated as of November 1, 2012, by and between the Whittier Utility  
Authority and U.S. Bank National Association, as Trustee,**

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**Relating to  
\$ \_\_\_\_\_  
Whittier Utility Authority  
(Los Angeles County, California)  
Water Refunding Revenue Bonds, Series 2020**

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EXHIBIT A—FORM OF 2020 BONDS

## FIRST SUPPLEMENTAL INDENTURE OF TRUST

This FIRST SUPPLEMENTAL INDENTURE OF TRUST, is dated as of June 1, 2020 (the “First Supplemental Indenture”), by and between WHITTIER UTILITY AUTHORITY (the “Authority”), a joint exercise of powers entity organized and existing under the constitution and laws of the State of California (the “State”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in Los Angeles, California, being qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”), amending and supplementing that certain Indenture of Trust, dated as of November 1, 2012, by and between the Authority and U.S. Bank National Association, as trustee, (the “Original Indenture” and, with the First Supplemental Indenture, the “Indenture”);

### WITNESSETH:

WHEREAS, the Authority is a joint powers entity duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of February 1, 2002, by and between the City of Whittier (the “City”) and the Whittier Public Financing Authority (collectively, the “Members”), and under the provisions of Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of 2020 Bonds, notes and other obligations of, or for the purpose of making loans to, public entities, including the Members, and to provide financing for public capital improvements of public entities, including the Members;

WHEREAS, pursuant to that certain Lease Agreement (Water Enterprise), dated as of February 1, 2002, as amended (the “Lease Agreement”), by and between the City and the Authority, the City leased its municipal water enterprise (the “Enterprise”) to the Authority and the Authority leased the Enterprise from the City;

WHEREAS, pursuant to the Lease Agreement, the Authority assumed all rights and obligations with respect to the Enterprise, although the City retained control of the operation and maintenance of the Enterprise on behalf of the Authority;

WHEREAS, the Authority has heretofore authorized, issued and sold its Whittier Utility Authority Water Revenue Bonds, 2009 Series A (the “2009 Bonds”), to finance improvements to the Enterprise;

WHEREAS, the 2009 Bonds were issued under and pursuant to an indenture of trust, dated as of October 1, 2009, by and between the Authority and U.S. Bank National Association, as trustee;

WHEREAS, the 2009 Bonds were issued as (i) bonds the interest on which is excluded from gross income for purposes of federal income taxation, and (ii) bonds designated as “Build America Bonds” (“Build America Bonds”) under the provisions of the American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation;

WHEREAS, the Authority has also heretofore authorized, issued and sold Whittier Utility Authority Water Revenue Bonds, Series 2012 (Subordinate Lien) (the “2012 Bonds”), to finance improvements to the Enterprise;

WHEREAS, the 2012 Bonds were issued under and pursuant to the Original Indenture;

WHEREAS, the payment of the principal of and interest on the 2009 Bonds is secured by a pledge of the net revenues derived from the operation of the Enterprise and, in the case of the 2009 Bonds issued as Build America Bonds, from cash subsidy payments from the United States Treasury;

WHEREAS, the payment of the principal of and interest on the 2012 Bonds is secured by a pledge of, and subordinate lien on, the net revenues derived from the operation of the Enterprise which are remaining after the payment of the 2009 Bonds;

WHEREAS, Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the “Refunding Bond Law”) authorizes the Authority to issue refunding bonds for the purpose of refunding obligations of the Authority;

WHEREAS, after due investigation and deliberation, the Authority has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to refund the 2009 Bonds;

WHEREAS, to that end, the Authority has determined to issue its refunding revenue bonds, to be designated as the Whittier Utility Authority (Los Angeles County, California) Water Refunding Revenue Bonds, Series 2020 (the “2020 Bonds”), to refund the 2009 Bonds;

WHEREAS, the 2020 Bonds will be secured by a pledge of the net revenues derived from the operation of the Enterprise on a parity as to payment and security with the 2012 Bonds;

WHEREAS, in order to provide for the authentication and delivery of the 2020 Bonds, to establish and declare the terms and conditions upon which the 2020 Bonds are to be issued and secured and to secure the payment of the principal thereof and of the interest thereon, the Board of Directors of the Authority (the “Board”) has authorized the execution and delivery of this First Supplemental Indenture; and

WHEREAS, the Board has determined that all acts and proceedings required by law necessary to make the 2020 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 this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this First Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH, that in order to secure the payment of the principal of and interest on all 2020 Bonds at any time issued and Outstanding under the Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2020 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2020 Bonds by the 2020 Bond Owner, and for other valuable consideration, the

receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective 2020 Bond Owners from time to time of the 2020 Bonds, as follows:

## ARTICLE I

### DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

**Section 1.01. Definitions.** All terms which are defined in Section 1.01 of the Indenture shall have the same meanings in this First Supplemental Indenture as such terms are given in said Section 1.01 of the Indenture. Unless the context otherwise requires, the additional terms defined in this Section 1.01 or in the preambles hereof shall for all purposes of this First Supplemental Indenture and of the 2020 Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings specified in the recitals and in this Section 1.01.

“Authorized Denomination” means \$5,000 or any integral multiple thereof.

“Business Day” means (a) any day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State or in any state in which the corporate trust office of the Trustee is located, or (b) a day on which the New York Stock Exchange is closed.

“Closing Date” means the date upon which there is a physical delivery of the 2020 Bonds in exchange for the amount representing the purchase price of the 2020 Bonds.

“Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Indenture or this First Supplemental Indenture) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

“Escrow Bank” means U.S. Bank National Association, as escrow bank under the Escrow Agreement.

“Escrow Agreement” means that certain Escrow Agreement, dated the Closing Date, by and between the Authority and the Escrow Bank, providing for the defeasance and refunding of the 2009 Bonds.

“Escrow Fund” means the fund by that name established under and held by the Escrow Bank pursuant to the Escrow Agreement.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United

States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State.

“Interest Payment Date” means, with respect to the 2020 Bonds, June 1 and December 1 in each year, beginning December 1, 2020, and continuing so long as any 2020 Bonds remain Outstanding.

“Refunding Bond Law” means Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code.

“Trustee” means U.S. Bank National Association or another trustee, which must be a banking association, banking corporation or trust company acting in the capacity of trustee under this First Supplemental Indenture.

“2009 Bonds” means the Authority’s Whittier Utility Authority Water Revenue Bonds, 2009 Series A, issued pursuant to the 2009 Indenture.

“2009 Indenture” means the Indenture of Trust, dated as of October 1, 2009, by and between the Authority and U.S. Bank National Association, as trustee, providing for the issuance of the 2009 Bonds.

“2012 Bonds” means the Authority’s Whittier Utility Authority Water Revenue Bonds, Series 2012 (Subordinate Lien), issued pursuant to the 2012 Indenture.

“2020 Bonds” means the Authority’s Whittier Utility Authority (Los Angeles County, California) Water Refunding Revenue Bonds, Series 2020, issued and at any time Outstanding hereunder.

**Section 1.02. Rules of Construction.** All references in this First Supplemental Indenture to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this First Supplemental Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this First Supplemental Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

**Section 1.03. Authorization and Purpose of 2020 Bonds.** The Authority has reviewed all proceedings heretofore taken relative to the authorization of the 2020 Bonds and has found, as a result of such review, and hereby finds and determines that all things, conditions, and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the 2020 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now authorized, as an exercise of the municipal affairs and powers of the Authority under the constitution and laws of the State and pursuant to the Refunding Bond Law and each and every other requirement of law, to issue the 2020 Bonds in the manner and form provided in this First Supplemental Indenture to finance the 2020 Project. Accordingly, the Authority hereby authorizes

the issuance of the 2020 Bonds pursuant to the Law, the Indenture and this First Supplemental Indenture.

**Section 1.04. Representations, Warranties and Covenants.** The representations and warranties of the Authority contained in Section 8.01 of the Original Indenture are true and correct in all material respects as of the date hereof. The Authority hereby confirms and agrees to the covenants set forth in the Indenture.

## ARTICLE II

### ISSUANCE OF 2020 BONDS

#### **Section 2.01. Issuance of the 2020 Bonds; Terms of the 2020 Bonds.**

(a) Issuance of the 2020 Bonds. The 2020 Bonds authorized to be issued by the Authority under and subject to the Refunding Bond Law and the Indenture shall be designated the “Whittier Utility Authority (Los Angeles County, California) Water Refunding Revenue Bonds, Series 2020” and shall be issued in the original aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_).

(b) Terms of the Bonds. The 2020 Bonds shall be registered initially in the name of “Cede & Co.,” as nominee of The Depository Trust Company as the initial Securities Depository and shall be evidenced by one Bond for each maturity of the 2020 Bonds in the principal amount of the respective maturities of the 2020 Bonds. Registered ownership of the 2020 Bonds, or any portion thereof, may not thereafter be transferred except as set forth herein.

The 2020 Bonds shall be issued as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof. The 2020 Bonds shall be dated as of the Closing Date and interest thereon shall be payable semiannually on each Interest Payment Date. The 2020 Bonds shall mature on the following dates in the following amounts and shall bear interest at the following rates per annum:

<i><b>Maturity Date</b></i> <i><b>(June 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>
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The principal of the Bonds shall be payable in lawful money of the United States of America at the Principal Corporate Trust Office. Payment of the interest on any Bond shall be made to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the Record Date for each Interest Payment Date, such interest to be paid by check or draft mailed on each Interest Payment Date to the Owner at his or her address as it appears on such registration books; provided that such interest shall be paid by wire transfer to any Owner of at least \$1,000,000 in aggregate principal amount of Bonds if the Owner makes a written request of the Trustee prior to the Record Date for an Interest Payment Date specifying the account address in the United States which written request will remain in effect until rescinded in writing by the Owner.

The 2020 Bonds shall be numbered consecutively, beginning with number R-1, and shall bear interest from the Closing Date. Interest shall be calculated based on a three hundred sixty (360) day year of twelve thirty (30) day months.

Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owners on such Record Date and shall be paid to the person in whose name the 2020 Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of which shall be given to the Owners by first class mail not less than ten (10) days prior to such Special Record Date.

**Section 2.02. Redemption of the 2020 Bonds.**

(a) Optional Redemption. The 2020 Bonds maturing on or before June 1, \_\_\_\_, are not subject to redemption prior to their respective stated maturities. The 2020 Bonds maturing on or after June 1, \_\_\_\_, are subject to redemption prior to their respective stated maturities, at the option of the Authority, in whole or in part on any date by such maturities as are selected by the Authority (or if the Authority fails to designate such maturities, in inverse order of maturity) and by lot within a maturity, on or after June 1, \_\_\_\_, at a redemption price equal to the principal amount of 2020 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

(b) Sinking Fund Redemption. The 2020 Bonds maturing on June 1, \_\_\_\_ (the “Term Bonds”) are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on June 1, \_\_\_\_, and on each June 1 thereafter to and including June 1, \_\_\_\_, at a Redemption Price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however,* that if some but not all of the Term Bonds have been redeemed pursuant to subsection (a)(i) above, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee.

*Sinking Account  
Redemption Date  
(June 1)*

*Principal Amount  
to be Redeemed*

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† Maturity

(c) Partial Redemption; Selection. All or a portion of any 2020 Bond may be redeemed, by lot but only in a principal amount equal to an Authorized Denomination. If less than all of the 2020 Bonds outstanding are to be redeemed, the Trustee shall select the 2020 Bonds to be redeemed in such order of redemption as shall be selected by the Authority. Upon surrender of any 2020 Bond for redemption in part, the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new 2020 Bond or 2020 Bonds of Authorized Denominations of the

same type and maturity and in an aggregate principal amount equal to the unredeemed portion of the 2020 Bond so surrendered.

(d) Notice of Redemption. Notice of any such redemption shall be given by the Trustee on behalf and at the expense of the Authority by mailing a copy of a redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to each Owner of the 2020 Bond or 2020 Bonds to be redeemed at the address shown on the Registration Books; *provided, however,* that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the 2020 Bonds.

All notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding 2020 Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the 2020 Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable with respect to each such 2020 Bond or portion thereof called for redemption, and that interest with respect thereto shall cease to accrue from and after said date, (v) the place where such 2020 Bonds are to be surrendered for payment of the redemption price, and (vi) in the case of a redemption pursuant to Section 2.02(a), that such notice of redemption is revocable, no later than the date set for redemption, notification of such revocation to be provided in the same manner as notice of redemption had been provided. Such notice of optional redemption will state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption will not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event will not constitute an Event of Default; the Trustee will send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given will remain Outstanding for all purposes of the Indenture.

Notice of redemption having been given as aforesaid, the 2020 Bonds or portions of 2020 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) interest with respect to such 2020 Bonds or portions of 2020 Bonds shall cease to accrue and be payable. Upon surrender of such 2020 Bonds for redemption in accordance with said notice, such 2020 Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any 2020 Bond, there shall be prepared for the Owner a new 2020 Bond or 2020 Bonds of the same maturity in the amount of the unpaid principal. All 2020 Bonds which have been redeemed shall be canceled by the Trustee, shall not be reissued and shall be destroyed pursuant to Section 12.04 of the Indenture.

In addition to the foregoing notice to the Owners, notice shall also be given by the Trustee at least twenty (20) days before the redemption date, by telecopy, registered, certified or overnight mail or by such other acceptable means, to all Securities Depositories and to an Information Service which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given the Owners as described above.



The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any 2020 Bond or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of 2020 Bond Owners and that the Trustee and the Authority shall not be liable in any way for inaccuracies in said numbers.

**Section 2.03. Form of 2020 Bonds.** The 2020 Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

**Section 2.04. Execution of 2020 Bonds.** The 2020 Bonds shall be signed in the name and on behalf of the Authority with the facsimile signature of its Chair or its Executive Director and attested by the facsimile signature of its Secretary. The 2020 Bonds shall then be delivered to the Trustee for authentication by it. In case any officer who shall have signed any of the 2020 Bonds shall cease to be such officer before the 2020 Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such 2020 Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any 2020 Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such 2020 Bond shall be the proper officer although on the nominal date of such 2020 Bond such individual shall not have been such officer of the Authority.

Only such of the 2020 Bonds as shall bear thereon a certificate of authentication in substantially 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 this Indenture, and such certificate of the Trustee shall be conclusive evidence that the 2020 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

**Section 2.05. Book-Entry System.** Notwithstanding any provision of this First Supplemental Indenture to the contrary:

(a) The 2020 Bonds shall be initially issued registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, and shall be evidenced by one certificate in a denomination corresponding to the total principal of the 2020 Bonds. Registered ownership of such 2020 Bonds, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the Authority, upon (i) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (ii) a determination by the Authority that The Depository Trust Company 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

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the Authority that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the Authority and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.03, upon receipt of all Outstanding 2020 Bonds by the Trustee, together with a written request of an Authorized Representative of the Authority to the Trustee, a single new 2020 Bond shall be issued, authenticated and delivered for each maturity of such 2020 Bond 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 an Authorized Representative of the Authority. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.03, upon receipt of all Outstanding 2020 Bonds by the Trustee together with a written request of an Authorized Representative of the Authority, new 2020 Bonds shall be issued, authenticated and delivered in such denominations and registered in the names of such persons as are requested in a written request of the Authority provided the Trustee shall not be required to deliver such new 2020 Bonds within a period less than sixty (60) days from the date of receipt of such a written request of an Authorized Representative of the Authority.

(c) In the case of partial redemption or an advance refunding of any 2020 Bonds evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the Authority's expense, deliver the 2020 Bonds to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The Authority and the Trustee shall be entitled to treat the person in whose name any 2020 Bond is registered as the absolute Owner thereof for all purposes of this First Supplemental 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, communication with, notifying or otherwise dealing with any beneficial owners of the 2020 Bonds. Neither the Authority nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any 2020 Bond.

(e) So long as all outstanding 2020 Bonds are registered in the name of Cede & Co. or its registered assign, the Authority and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and interest due with respect to the 2020 Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

(f) So long as all Outstanding 2020 Bonds are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the 2020 Bonds' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of blanket issuer letter of representations (prepared by The Depository Trust Company) executed by the Authority and received and accepted by The Depository Trust Company.

### ARTICLE III

#### APPLICATION OF PROCEEDS

##### **Section 3.01. Application of Proceeds of Sale of 2020 Bonds and Other Moneys.**

(a) Upon receipt by the Trustee, the Trustee shall apply the proceeds derived from the sale of the 2020 Bonds (\$\_\_\_\_\_), being the principal amount of the 2020 Bonds of \$\_\_\_\_\_, less an underwriter's discount of \$\_\_\_\_\_, plus an original issue premium of \$\_\_\_\_\_, as follows:

(i) The Trustee shall deposit to the 2020 Costs of Issuance Account the sum of \$\_\_\_\_\_; and

(ii) The Trustee shall transfer to the Escrow Bank, for deposit in the Escrow Fund, the sum of \$\_\_\_\_\_.

(b) The Trustee may, in its discretion, establish a temporary fund or account to facilitate the foregoing deposit and transfer.

##### **Section 3.02. 2020 Costs of Issuance Account.**

(a) There is hereby created a separate account within the Costs of Issuance Fund to be known as the "2020 Costs of Issuance Account," to be held in trust by the Trustee. The Trustee shall disburse moneys in the 2020 Costs of Issuance Account for the purpose of paying or reimbursing the payment of the Costs of Issuance of the 2020 Bonds in accordance with the provisions of the Indenture. The moneys in the 2020 Costs of Issuance Account shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the 2020 Bonds.

(b) Any amounts remaining in the 2020 Costs of Issuance Account on the date three months after the Closing Date, or such earlier date as the Authority shall determine all Costs of Issuance of the 2020 Bonds have been paid, shall be transferred by the Trustee to the Interest Account and applied to the purposes thereof and the 2020 Costs of Issuance Account shall be closed.

**Section 3.03. Satisfaction of Requirements of Additional Bonds.** The Authority hereby certifies that all provisions of Section 6.08 of the Indenture relating to the issuance of Parity Obligations have been satisfied such that the 2020 Bonds are payable from Net Revenues and secured by the pledge made under the Indenture equally and ratably with the 2012 Bonds.

##### **Section 3.04. Validity of Bonds.**

(a) The Board has reviewed all proceedings heretofore taken relative to the authorization of the 2020 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen or be performed precedent to and in the issuance of the 2020 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Board is now authorized, pursuant to each

and every requirement of the Law to issue the 2020 Bonds in the form and manner provided in this First Supplemental Indenture and the 2020 Bonds shall be entitled to the benefit, protection and security of the provisions of the Indenture.

(b) From and after the issuance of the 2020 Bonds the findings and determinations of the Board respecting the 2020 Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the 2020 Bonds is at issue, and no bona fide purchaser of any of the 2020 Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the proceeds of sale of the 2020 Bonds. The recital contained in the 2020 Bonds that the same are issued pursuant to the Law and the Indenture shall be conclusive evidence of their validity and of the regularity of the issuance and all 2020 Bonds shall be incontestable from and after their issuance. The 2020 Bonds shall be deemed to be issued, within the meaning of the Indenture, whenever the definitive 2020 Bonds (or any temporary 2020 Bonds exchangeable therefor) have been delivered to the 2020 Bond Owner thereof and the proceeds of sale thereof received.

## ARTICLE IV

### REVENUES; FUNDS AND ACCOUNTS

**Section 4.01. Pledge of Net Revenues, Gross Revenue Fund.** The Authority has heretofore transferred, placed a charge upon, assigned and set over to the Trustee, for the benefit of the 2020 Bond Owner, that portion of the Gross Revenues which is necessary to pay the principal or Redemption Price of and interest on the Bonds (and the 2012 Bonds) in any year, together with all moneys on deposit in the Gross Revenue Fund, to the punctual payment of the principal or Redemption Price of and interest on the Bonds (and the 2012 Bonds).

**Section 4.02. Administration of Funds and Accounts.** All funds and accounts created pursuant to the Indenture shall continue to be administered by the Trustee in the manner provided by the Indenture and this First Supplemental Indenture as if there were a single issue of Bonds concurrently sold and delivered.

**Section 4.03. Fees, Charges and Expenses of Trustee.** The Trustee shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, if any, including interest on all such advances at its, or one of its affiliates', prime rate then in effect, reasonable external counsel fees (including expenses), the reasonable allocated cost of internal legal services (to the extent such services are not redundant of services performed by external counsel) and all reasonable disbursements of internal counsel, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services and, in the Event of Default, the Trustee shall have a first and prior lien on the funds held hereunder to secure the same; *provided, however*, that in no event shall the Trustee have a lien on premiums, if any, paid in connection with an optional redemption of 2020 Bonds or of any moneys held for the benefit of a 2020 Bond Owner. The Trustee's compensation shall not be limited by any provision of law regarding the compensation of a trustee of an express trust. The Trustee's rights hereunder shall survive its resignation or removal and final payment of the 2020 Bonds.

**Section 4.04. Investments.**

(a) All moneys in any of the funds or accounts established with the Trustee pursuant to this First Supplemental Indenture shall be invested by the Trustee solely in Permitted Investments, as directed pursuant to the 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 hold such moneys uninvested. 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 shall be deposited in the fund or account from which such investment was made. The Trustee may act as principal or agent in the acquisition of any investment. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 4.04. The Authority acknowledges that to the extent 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, at no additional cost, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority with monthly account statements as provided herein which include detail for all investment transactions made by the Trustee hereunder. The Trustee may conclusively rely on the investment instructions of the Authority as to the suitability and legality of the directed investments.

(b) For investment purposes, the Trustee may commingle the funds and accounts established hereunder but shall account for each separately.

**Section 4.05. Acquisition; Valuation and Disposition of Investments.** Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the 2020 Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture of the Code) by the Authority at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the Authority at their present value (within the meaning of section 148 of the Code). The Trustee has no duty in connection with the determination of Fair Market Value.

**ARTICLE V**

**COVENANTS**

**Section 5.01. Tax Covenants.**

(a) General. Notwithstanding any other provision of the Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the 2020 Bonds will not be adversely affected for federal income tax purposes, the Authority covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income with respect to the 2020 Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(b) Private Activity. The Authority will take no action, refrain from taking any action and make no use of the proceeds of the 2020 Bonds or of any other moneys or property that

would cause the 2020 Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(c) Arbitrage. The Authority will make no use of the proceeds of the 2020 Bonds or of any other amounts or property, regardless of the source, and will not take or omit any action, that would cause the 2020 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(d) Federal Guarantee. The Authority will make no use of the proceeds of the 2020 Bonds and not take or omit to take any action that would cause the 2020 Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(e) Information Reporting. The Authority will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code that are necessary to preserve the exclusion of interest on the 2020 Bonds pursuant to Section 103(a) of the Code;

(f) Hedge Bonds. The Authority will make no use of the proceeds of the 2020 Bonds or any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action that would cause the 2020 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 2020 Bonds for federal income tax purposes;

(g) Miscellaneous. The Authority will take no action, and will not omit to take any action, that is inconsistent with its expectations stated in that certain Tax Certificate executed by the Authority in connection with the issuance of the 2020 Bonds, and the Authority will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

(h) Taxable Bonds. This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the Authority from issuing revenue bonds other than the 2020 Bonds or to execute and deliver contracts payable on a parity with the 2020 Bonds, the interest with respect to which has been determined by an opinion of nationally recognized bond counsel to be subject to federal income taxation.

(i) Bank Qualification. The Authority hereby designates the 2020 Bonds for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), has been or will be issued by the City, including all subordinate entities of the City, during the calendar year 2020.

**Section 5.02. Continuing Disclosure.** The Authority hereby directs the City to undertake the continuing disclosure requirements promulgated under S.E.C. Rule 15c2-12, as it may from time to time hereafter be amended or supplemented with respect to the 2020 Bonds. Notwithstanding any other provision of this First Supplemental Indenture, failure of the City, on behalf of the Authority, to

comply with the requirements of S.E.C. Rule 15c2-12, as it may from time to time hereafter be amended or supplemented, shall not be considered an Event of Default hereunder.

**Section 5.03. Assumption of Obligations Upon Termination of the Lease Agreement.**

In the event the Lease Agreement is, for any reason, terminated prior to the final payment of all 2020 Bonds hereunder, the City will assume all of the Authority's obligations hereunder for the payment of the principal of and interest on the 2020 Bonds.

**Section 5.04. Rebate Fund.**

(a) Establishment. The Trustee shall establish a separate fund designated the "Rebate Fund" when required in accordance herewith. Absent an opinion of nationally recognized bond counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the 2020 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 related to the 2020 Bonds. 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 2020 Bonds shall be governed by this Section and the Tax Certificate for the 2020 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 with respect to the 2020 Bonds will not be adversely affected, if such requirements are not satisfied. Notwithstanding anything to the contrary contained herein or in the Tax Certificate for the 2020 Bonds, the Trustee: (i) shall be deemed conclusively to have complied with the provisions thereof if it follows all Requests of the Authority; and (ii) shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate for the 2020 Bonds; and (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 for the 2020 Bonds), 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 for the 2020 Bonds (*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 written Request of the Authority, an amount shall be deposited to the Rebate Fund by the Trustee from any Net Revenues legally available for such purpose (as specified by the Authority in the aforesaid written 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 written Request of the Authority, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Revenue 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 the 2020 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 2020 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 2020 Bonds.

**Section 5.05. Confirmation of Indenture.** Except as otherwise provided herein, all covenants made in Article VI of the Indenture are hereby confirmed as applicable to the 2020 Bonds under this First Supplemental Indenture.

## ARTICLE VI

### MISCELLANEOUS

#### **Section 6.01. Amendments to the Original Indenture.**

(a) The defined term “Pledged Net Revenues” set forth in the Original Indenture shall be deleted and all references to “Pledged Net Revenues” in the Original Indenture shall be replaced with the term “Net Revenues.”

(b) All references to “(Subordinate Lien)” when referring to the 2012 Bonds shall be deleted.



(c) Effective when the 2012 Bonds are no longer Outstanding, the term “Gross Revenues,” as defined in Section 1.01 of the Original Indenture is hereby amended in full as follows:

“Gross Revenues” means all gross charges received for, and all other gross income and revenues derived by the Authority from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, excluding transfers to the Rate Stabilization Fund, including but not limited to (a) all fees and charges received by the Authority for the services of the Enterprise, (b) all receipts derived from the investment of such income or revenues, (c) proceeds from the sale of production water rights, and (d) transfers from the Rate Stabilization Fund.

(d) Subsection (ii)(B) of Section (b) of Section 6.08 of the Original Indenture is hereby amended in full as follows:

to refund all or part of the 2009 Bonds, the Bonds or any Parity Obligations then Outstanding, by depositing with the Trustee, in trust, moneys or Defeasance Obligations in the necessary amount to discharge all liability of the Authority with respect to the 2009 Bonds, the Bonds or the Parity Obligations to be refunded.

(e) The last paragraph of Section (b) of Section 6.08 of the Original Indenture is hereby amended in full as follows:

The Authority may borrow moneys from the State to finance improvements to the Enterprise (a “State Loan”), and may borrow moneys from the United States Environmental Protection Agency under its Water Infrastructure Finance and Innovation Act loan program (a “WIFIA Loan”) which borrowings shall constitute Parity Obligations but which otherwise satisfy the parity test described above except that the payment dates may be other than those described in paragraph (v) above. The Authority shall not make a payment on a State Loan or a WIFIA Loan with payment dates that precede the Interest Payment Dates if to do so would cause the Authority to fail to make a timely payment of debt service on the Bonds or other Parity Obligations and, in such case, the Authority shall make such payment on a State Loan to the extent that available Net Revenues would be paid with respect to such State Loan, the debt service on the Bonds and other Parity Obligations on a pro rata basis.

(f) Effective when the 2012 Bonds are no longer Outstanding, Section 6.14 of the Original Indenture is hereby amended in full as follows:

#### **Section 6.02. Rate Stabilization Fund.**

(a) The “Rate Stabilization Fund,” previously created, held and maintained by the Authority, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Enterprise is hereby continued. From time to time the Authority may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues which are released from the pledge and lien which secures the 2020 Bonds, as the Authority may determine.

The Authority may, but is not required to, withdraw amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Gross Revenue Fund in any Fiscal Year for the purpose of paying the principal of and interest on the 2020 Bonds and any outstanding Parity Obligations coming due and payable in such Fiscal Year.

Amounts so transferred from the Rate Stabilization Fund to the Gross Revenue Fund shall constitute Gross Revenues for such Fiscal Year (except as otherwise provided herein) and shall be applied for the purposes of the Gross Revenue Fund. Amounts on deposit in the Rate Stabilization Fund shall not be pledged to or otherwise secure the 2020 Bonds or any Parity Obligations.

To the extent that the Authority appropriates funds from Gross Revenues into the Rate Stabilization Fund for the Enterprise, a deduction shall be made from Gross Revenues of the Enterprise in the Fiscal Year during which said transfer occurred for purposes of calculations to be made under Section 5.02. To the extent that the Authority appropriates funds from the Rate Stabilization Fund into the Gross Revenue Fund, the Authority may count the funds so transferred as Gross Revenues in the Fiscal Year in which said transfer occurs, for purposes of Section 5.02.

All interest or other earnings on deposits in the Rate Stabilization Fund shall be retained therein or, at the option of the Authority, be applied for any other lawful purposes. The Authority has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of the Authority.

**Section 6.03. Notices.** All written notices to be given under this First Supplemental Indenture shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received upon actual receipt.

To the Authority: Whittier Utility Authority  
c/o City of Whittier  
13230 Penn Street  
Whittier, CA 90602  
Attention: Director of Administrative Services  
Phone: (562) 567-9810

To the Trustee: U.S. Bank National Association  
633 West Fifth Street, 24th Floor  
Los Angeles, CA 90071  
Attention: Corporate Trust Department  
Phone: (213) 615-6002

**Section 6.04. Execution in Several Counterparts.** This First Supplemental 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 6.05. Force Majeure.** From the effective date of this First Supplemental Indenture, the Trustee, or any successor in interest, shall not be considered in breach of or in default in its obligations with respect to any obligations created hereunder or progress in respect thereto, in

the event of 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, explosion, mob violence, riot, 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 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.

**Section 6.06. Electronic Communications.** The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using Electronic Means. “Electronic Means” 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 in its discretion elects to act upon such Instructions, the Trustee’s reasonable 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 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 procedures

**Section 6.07. Transfer of Bonds Outside of the Book-Entry System.** 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. 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 6.08. Governing Law.** This First Supplemental Indenture shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the WHITTIER UTILITY AUTHORITY has caused this Indenture to be signed in its name by the Executive Director of the Authority and attested by the Secretary, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trust created hereunder, has caused this First Supplemental Indenture to be signed in its corporate name by one of its authorized officers, all as of the day and year first above written.

WHITTIER UTILITY AUTHORITY

By \_\_\_\_\_  
Executive Director

Attest:

\_\_\_\_\_  
Secretary

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**FORM OF 2020 BOND**

**United States of America  
State of California  
County of Los Angeles**

**WHITTIER UTILITY AUTHORITY  
Water Revenue Refunding Bond, Series 2020**

<i>INTEREST RATE</i>	<i>MATURITY DATE</i>	<i>DATED DATE</i>	<i>CUSIP</i>
_____ %	June 1, _____	_____, 2020	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The WHITTIER UTILITY AUTHORITY, a joint exercise of powers entity 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 named above or registered assigns (the "Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Amount stated above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the June 1 or December 1 (each an "Interest Payment Date") next preceding the date of authentication hereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and unless said date of authentication is on or before November 15, 2020, in which event such interest is payable from the Dated Date stated above; provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the date to which interest has previously been paid or made available for payment on this Bond in full at the Interest Rate per annum stated above, payable semiannually on each Interest Payment Date, commencing December 1, 2020. The principal amount of this Bond is payable at the principal corporate trust office of U.S. Bank National Association, as trustee (the "Trustee"), in Los Angeles, California, or at such office as the Trustee may designate, upon presentation and surrender of this Bond to the Trustee. Payment of the interest on this Bond will be made to the person whose name appears on the Bond Registration Books of the Trustee as the Owner thereof as of the fifteenth day of the month immediately preceding an Interest Payment Date whether or not said day is a business day (the "Record Date"), such interest to be paid by check mailed on the Interest Payment Date to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of Bonds and upon written notice received by the Trustee prior to the Record Date, by wire transfer, at the Owner's address as it appears on such Bond Registration Books or to such account as shall have been identified by the Owner in the notice requesting payment by wire transfer. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Owner on such Record Date and shall be paid to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof being given to the Owners not less than ten (10) days prior to such special record date.

Capitalized terms used herein and not otherwise defined are used with the meanings ascribed to them in the Indenture (as hereinafter defined).

This Bond is one of a series of bonds of various maturities designated as “Whittier Utility Authority (Los Angeles County, California) Water Refunding Revenue Bonds, Series 2020” (the “Bonds”), issued in the aggregate principal amount of \$\_\_\_\_\_, all of like tenor (except for such variations, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions), issued under and pursuant to an Indenture of Trust, dated as of November 1, 2012, as amended and supplemented by a First Supplemental Indenture of Trust, dated as of June 1, 2020 (collectively, the “Indenture”) each by and between the Authority and the Trustee, approved by the Authority by Resolution No. WUA-2020-01, adopted by the Board of Directors of the Authority on May 12, 2020, under and pursuant to the provisions of Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code. A copy of the Indenture is on file at the office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof and to the Bond Law is made for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Net Revenues, as that term is defined in the Indenture, and the rights of the Owners of the Bonds. All the terms of the Indenture and the Bond Law are hereby incorporated herein and constitute a contract between the Authority and the Owners from time to time of this Bond, and to all the provisions thereof the Owner of this Bond, by his acceptance hereof, consents and agrees. Each taker and subsequent Owner hereof shall have recourse to all of the provisions of the Bond Law and the Indenture and shall be bound by all of the terms and conditions thereof.

The Bonds are issued to (a) refund, on a current basis, all outstanding Whittier Utility Authority Water Revenue Bonds, 2009 Series A, issued to finance improvements to the City of Whittier’s municipal water system (the “Enterprise”), and (b) pay the costs of issuance of the Bonds.

The Bonds are payable from the net revenues (the “Net Revenues”) of the Enterprise, derived primarily from charges and revenues received by the Authority from the operation of the Enterprise, less the costs of the Maintenance and Operation Costs of the Enterprise, as permitted by the Indenture, and the Net Revenues are pledged, as a first and prior lien thereon, to pay the principal of and premium, if any, and interest on the Bonds and on any parity obligations hereafter issued or incurred by the Authority in accordance with the Indenture. Additional series of Bonds payable from the Net Revenues may be issued on a parity with the Bonds, but only subject to the conditions and limitations contained in the Indenture. The Bonds are on a parity as to payment and security with the Authority’s outstanding Whittier Utility Authority Water Revenue Bonds, Series 2012.

The principal or redemption price of and interest on the Bonds are payable solely from the Net Revenues, and the Authority is not obligated to pay the Bonds except from the Net Revenues. The general fund of the Authority is not liable, and the full faith and credit or taxing power of the Authority is not pledged, for the payment of the principal or redemption price of and interest on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Net Revenues.

The Authority covenants that, so long as any of the Bonds are outstanding, it will fix, prescribe and collect charges so as to yield Net Revenues at least equal to the amounts thereof prescribed by the Indenture and sufficient to pay the principal or redemption price of and interest on the Bonds in accordance with the provisions of the Indenture.

The Bonds maturing on or before June 1, \_\_\_\_, shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after June 1, \_\_\_\_, shall be subject to redemption prior to their respective maturity dates, at the option of the Authority, as a whole or in part, in such order of maturity as shall be selected by the Authority (or in inverse order of maturity if the Authority shall fail to select a particular order) and by lot within a maturity, on any date on or after June 1, \_\_\_\_, from any source of available funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Bonds maturing on June 1, \_\_\_\_ (the "Term Bonds") are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on June 1, \_\_\_\_, and on each June 1 thereafter to and including June 1, \_\_\_\_, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee.

***Sinking Account  
Redemption Date  
(June 1)***

***Principal Amount  
to be Redeemed***

---

† Maturity

As provided in the Indenture, notice of redemption shall be given by first class mail not less than twenty days prior to the redemption date to the respective registered Owners of the Bonds designated for redemption at their addresses appearing on the Bond Registration Books, but no defect in the notice so mailed shall affect the sufficiency of the proceedings 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 Bonds 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, as provided in the Indenture, only upon the books of the Authority kept for that purpose at the office of the Trustee, by the Owner hereof in person, or by his attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds, without coupons, and in the same aggregate principal amount and of the same maturity, shall be issued to the transferee in exchange

herefor, as provided in the Indenture, and upon the payment of charges, if any, including, after the first exchange, the cost of preparing new Bonds therein prescribed.

The rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds, the consent of the Owners of which is required to effect any such modification or amendment, all as more fully set forth in the Indenture.

THE BONDS HAVE BEEN DESIGNATED BY THE AUTHORITY AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” WITHIN THE MEANING OF SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986.

It is hereby certified that all of the conditions, things and acts 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 time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent 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 DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), 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.

IN WITNESS WHEREOF, the Whittier Utility Authority has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Executive Director and the manual or facsimile signature of its Secretary all as of the Bond Date stated above.

WHITTIER UTILITY AUTHORITY

By \_\_\_\_\_  
Executive Director

ATTEST:

\_\_\_\_\_  
Secretary



**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture, which has been authenticated and registered on

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

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

---

whose address and social security or other tax identifying number is

---

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s)

---

attorney, to transfer the same on the Bond Registration Books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

---

Notice: 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.

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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.

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.

**PRELIMINARY OFFICIAL STATEMENT DATED MAY \_\_, 2020**

**NEW ISSUE—FULL BOOK-ENTRY**

**RATING: S&P: “AA”  
(See “RATING” herein)**

*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 “TAX MATTERS.”*



**\$5,880,000\***  
**WHITTIER UTILITY AUTHORITY**  
**(Los Angeles County, California)**  
**Water Refunding Revenue Bonds, Series 2020**  
**[BANK QUALIFIED]**

**Dated: As of Date of Delivery**

**Due: June 1, as shown on the inside front cover**

The \$5,880,000\* Whittier Utility Authority (Los Angeles County, California) Water Refunding Revenue Bonds, Series 2020 (the “Bonds”) are being issued by the Whittier Utility Authority (the “Authority”) in fully registered form without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as trustee for the Bonds (the “Trustee”), to DTC, which is obligated in turn to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. The Bonds are being issued pursuant to an Indenture of Trust, dated as of November 1, 2012, as amended and supplemented by a First Supplemental Indenture, dated as of June 1, 2020 (collectively, the “Indenture”), each by and between the Authority and the Trustee. Interest on the Bonds will be payable semi-annually on each June 1 and December 1, commencing on December 1, 2020.

The Bonds are being issued to provide funds to (a) refund, on a current basis, the Authority’s outstanding Whittier Utility Authority Water Revenue Bonds, 2009 Series A, issued to finance various improvements to the water production, storage and distribution enterprise (the “Enterprise”) owned by the City of Whittier (the “City”), and (b) pay a portion of the costs of issuance of the Bonds.

The Bonds are special obligations of the Authority and are payable solely from and secured by a pledge of Net Revenues of the Enterprise and other funds as provided in the Indenture. “Net Revenues” generally consist of the gross revenues of the Enterprise, less operating and maintenance expenses of the Enterprise. Net Revenues are pledged, as a first and prior lien thereon, to pay debt service on the Bonds and payments with respect to any parity obligations previously and hereafter issued or incurred by the Authority (the “Parity Obligations”). The Bonds will be secured on a parity with the Authority’s outstanding Whittier Utility Authority Water Revenue Bonds, Series 2012 (the “2012 Bonds”), which are currently outstanding in the aggregate principal amount of \$7,470,000. The Authority has covenanted under the Indenture to prescribe, revise and collect such charges from the services and facilities of the Enterprise which will produce gross revenues sufficient in each Fiscal Year to provide Net Revenues equal to at least 1.25 times the aggregate of obligations of the Authority with respect to the Bonds, the 2012 Bonds and any Parity Obligations hereafter issued or incurred by the Authority in such Fiscal Year. The Authority will covenant in the Indenture that it will not issue any obligations senior to the Bonds, the 2012 Bonds and any Parity Obligations. A reserve fund will not be established for the Bonds.

**The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS—Redemption.”**

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED SOLELY BY THE REVENUES PLEDGED UNDER THE INDENTURE. THE BONDS ARE NOT A DEBT OF THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS, EXCEPT THE AUTHORITY TO THE EXTENT DESCRIBED HEREIN, AND NEITHER THE CITY, THE STATE OF CALIFORNIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, EXCEPT THE AUTHORITY TO THE EXTENT DESCRIBED HEREIN, IS LIABLE THEREON. IN NO EVENT SHALL THE BONDS OR ANY INTEREST THEREON BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS SET FORTH IN THE INDENTURE. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. NEITHER THE MEMBERS OF THE AUTHORITY, THE CITY NOR ANY PERSONS EXECUTING THE BONDS ARE LIABLE PERSONALLY ON THE BONDS BY REASON OF THEIR ISSUANCE. THE AUTHORITY HAS NO TAXING POWER.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES**  
**SEE THE INSIDE FRONT COVER**

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE BONDS.

*The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Bond Counsel. Certain legal matters will also be passed upon for the City by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel, and by Jones & Mayer, Fullerton, California, City Attorney. Certain matters will be passed upon for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Bonds will be delivered in definitive form through the facilities of DTC on or about June \_\_, 2020.*

\* Preliminary, subject to change.

# STIFEL

Dated: May \_\_, 2020

**\$5,880,000\***  
**WHITTIER UTILITY AUTHORITY**  
**(Los Angeles County, California)**  
**Water Refunding Revenue Bonds,**  
**Series 2020**  
**[BANK QUALIFIED]**

CUSIP<sup>†</sup> Prefix: \_\_\_\_\_

<i><b>Maturity (June 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Yield</b></i>	<i><b>Price</b></i>	<i><b>CUSIP<sup>†</sup> Suffix</b></i>
2021					
2022					
2023					
2024					
2025					
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2038					
2039					

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\* Preliminary, subject to change.

<sup>†</sup> Copyright 2020, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by S&P Capital IQ. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the registered owners of the Bonds. Neither the City nor the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

*For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the Authority with respect to the Bonds that has been deemed "final" by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.*

**Use of Official Statement.** This Official Statement is 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. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

**Estimates and Forecasts.** When used in this Official Statement and in any continuing disclosure by the Authority or the City, in any press release and in any oral statement made with the approval of an authorized officer of the Authority or the City, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the Authority since the date hereof.

**Limit of Offering.** No dealer, broker, salesperson or other person has been authorized by the Authority, the City or the Underwriter to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. 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.

**Limited Scope of Information.** The Authority and the City have obtained certain information set forth herein from sources which are believed to be reliable, but such information is neither guaranteed as to accuracy or completeness, nor to be construed as a representation of such by the Authority and the City. The information and expressions of opinions herein are subject to change 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 Authority and the City since the date hereof. All summaries of or references to the documents referred to in this Official Statement are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. All capitalized terms used herein, unless noted otherwise, shall have the meanings prescribed in the Indenture.

**Underwriter.** 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 part of, its responsibility 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.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT SUCH LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANYTIME.

**THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.**

**Website.** The City maintains a website. Unless specifically indicated otherwise, the information presented on such website is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

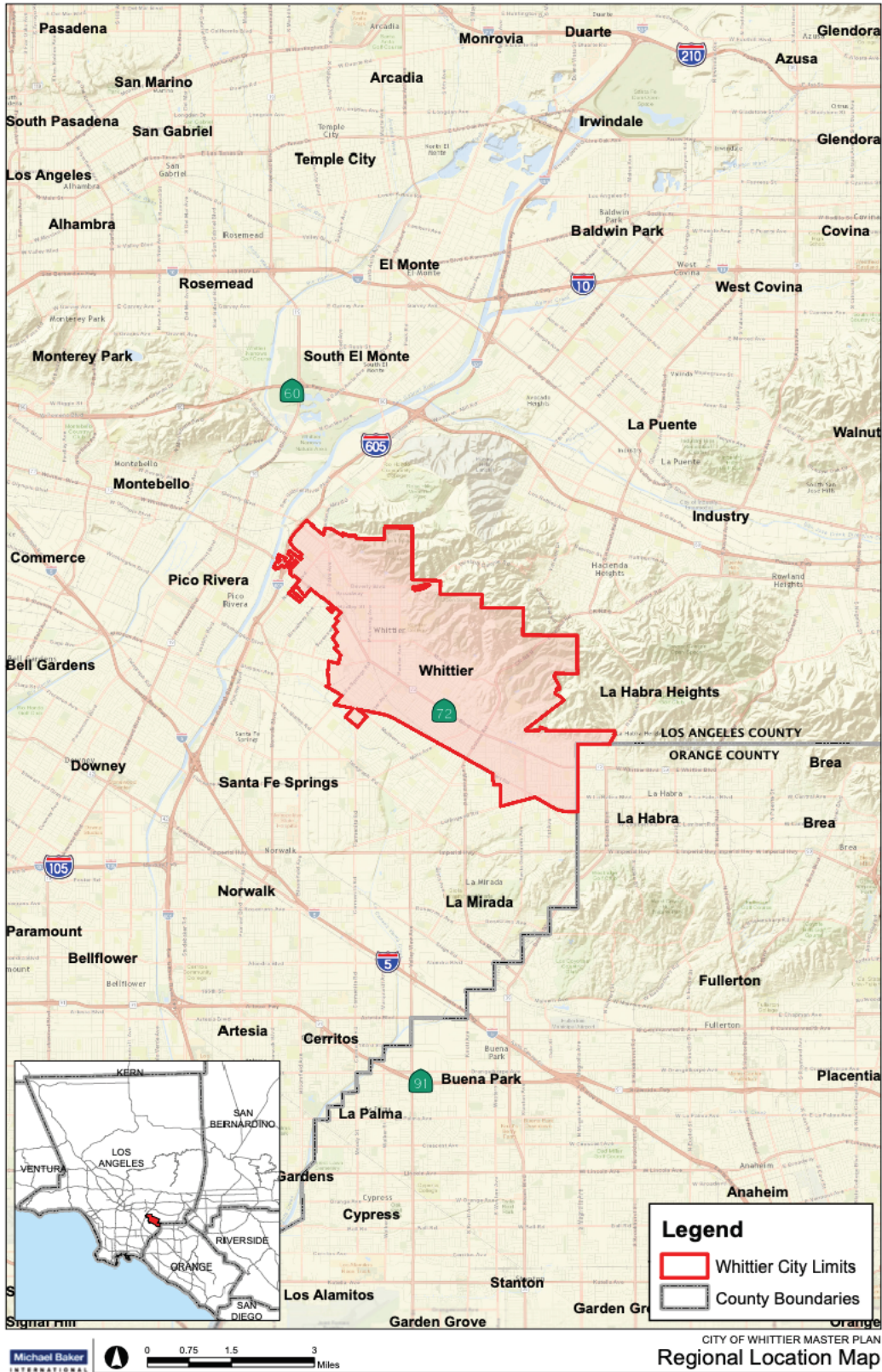
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# CITY OF WHITTIER LOCATION MAP



**WHITTIER UTILITY AUTHORITY**

13230 Penn Street  
Whittier, CA 90602-1716  
(562) 567-9810  
<http://www.cityofwhittier.org>

**AUTHORITY BOARD/CITY COUNCIL MEMBERS**

Joe Vinatieri, *Chair/Mayor*  
Fernando Dutra, *Vice Chair/Mayor Pro Tem*  
Henry Bouchot, *Board Member/Councilmember*  
Cathy Warner, *Board Member/Councilmember*  
Jessica Martinez, *Board Member/Councilmember*

**AUTHORITY/CITY OFFICIALS**

Brian Saeki, *Executive Director/City Manager*  
Shannon DeLong, *Deputy Executive Director/Assistant City Manager*  
Monica Lo, *Director of Administrative Services*  
Kyle Cason, *Director of Public Works*  
Rigo Garcia, *Secretary/City Clerk*

**SPECIAL SERVICES**

**Authority Counsel/City Attorney**

Jones & Mayer  
Fullerton, California

**Municipal Advisor**

Ross Financial  
San Francisco, California

**Bond and Disclosure Counsel**

Stradling Yocca Carlson & Rauth, a Professional Corporation,  
Newport Beach, California

**Trustee**

U.S. Bank National Association  
Los Angeles, California

## OFFICIAL STATEMENT

**\$5,880,000\***

### **WHITTIER UTILITY AUTHORITY Water Refunding Revenue Bonds, Series 2020 [Bank Qualified]**

## INTRODUCTION

### **General**

This Official Statement, which includes the cover page, the inside cover page and appendices hereto, provides information in connection with the sale of the \$5,880,000\* of Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020 (the “Bonds”), being issued by the Whittier Utility Authority (the “Authority”).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used, but not otherwise defined herein, shall have the meanings assigned thereto as set forth in APPENDIX A—SUMMARY OF THE INDENTURE—Certain Definitions.

### **The Authority**

The Authority was established in February 2002 by the City of Whittier (the “City”) and the Whittier Public Financing Authority (the “Members”), to provide for the lease, ownership, operation, management and maintenance of any utility system or service, the financing of public capital improvements for and working capital requirements and insurance programs of the Members and any local agency, including without limitation, financings relating to any utility system or service through the lease, acquisition or construction by the Authority of such public capital improvements, and the purchase by the Authority of indebtedness of any of the Members or a local agency. The Authority operates the City’s municipal water enterprise (the “Enterprise”) and also provides sewer and solid waste disposal services to residents and business in the City and in certain unincorporated areas in Los Angeles County.

### **The City**

The City is located in Los Angeles County (the “County”), about 12 miles southeast of the City of Los Angeles. The City is generally located south of the 60 Freeway, east of the I-605 Freeway, and north of Imperial Highway (90). A five-member City Council governs the City under the Council/Manager form of government. The City is a charter city, originally incorporated in 1898 and chartered in 1955. The City covers 14.8 square miles and has an estimated population of approximately 88,000. The City is bounded by the cities of La Habra, Santa Fe Springs, Pico Rivera, City of Industry, La Habra Heights, and other unincorporated areas of Los Angeles County. For certain information with respect to the City, see “THE AUTHORITY” and APPENDIX E—GENERAL INFORMATION REGARDING THE CITY OF WHITTIER AND LOS ANGELES COUNTY.

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\* Preliminary, subject to change.

## **The Enterprise**

The Enterprise, currently providing water service to approximately 52% of the residences and businesses within the City, includes the total production, storage and transmission needs of its customers. The Enterprise's service area comprises roughly the western half of the City. The remaining residents of the City are served by private water companies. See "THE ENTERPRISE."

Pursuant to that certain Lease Agreement (Water Enterprise), dated as of February 1, 2002 (the "Lease Agreement"), by and between the City and the Authority, the City leased the Enterprise to the Authority and the Authority leased the Enterprise from the City. Pursuant to the Lease Agreement, the Authority assumed all rights and obligations with respect to the Enterprise.

The Authority has appointed the City as its agent to carry out all aspects of the operation and maintenance of the Enterprise pursuant to and in accordance with the provisions of the Lease Agreement and pursuant to that certain Water Enterprise Management Agreement, dated as of February 1, 2002, by and between the Authority and the City, and the City has accepted such appointment and assumed all rights, liabilities, duties and responsibilities of the Authority regarding the operation and maintenance of the Enterprise.

In the event the Lease Agreement is, for any reason, terminated prior to the final payment of all 2020 Bonds, the City will assume all of the Authority's obligations hereunder for the payment of the principal of and interest on the 2020 Bonds.

The City and the Authority have entered into similar arrangements for the lease and operation of the City's sewer and solid waste enterprises.

## **Purpose of the Bonds**

The Bonds are being issued to provide funds to (a) refund, on a current basis, the Authority's outstanding Whittier Utility Authority Water Revenue Bonds, 2009 Series A (the "2009 Bonds"), issued to finance various improvements to the Enterprise, and (b) pay a portion of the costs of issuance of the Bonds. See "THE FINANCING PLAN."

## **Authority for Issuance**

The Bonds are being issued under the provisions of Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with Section 53570) of the California Government Code (the "Bond Law"), an Indenture of Trust, dated as of November 1, 2012, as amended and supplemented by a First Supplemental Indenture, dated as of June 1, 2020 (collectively, the "Indenture"), each by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), and a resolution adopted by the Board of Directors of the Authority on May 12, 2020. See "THE BONDS—Authority for Issuance."

## **Security and Source of Repayment**

**Rates and Charges.** The Authority shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts in the following order: (i) all Maintenance and Operation Costs estimated by the Authority to become due and payable in such Fiscal Year; (ii) the principal of and interest on the Outstanding 2020 Bonds and Parity Obligations becoming due and payable during such Fiscal Year, including all mandatory sinking account payments during such Fiscal Year; (iii) all other payments required for compliance with this Indenture and the instruments pursuant to which any Parity Obligations shall have been issued; and (iv) all payments required to meet any other

obligations of the Authority which are charges, liens, encumbrances upon or payable from the Gross Revenues or the Net Revenues.

**Rate Covenant.** In addition, the Authority shall, to the extent permitted by law, fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are sufficient to yield Net Revenues, including connection charges together with other funds which are lawfully available to the Authority for payment of the debt service on the Bonds and any Parity Obligations, at least equal to one hundred twenty-five percent (125%) of the principal of and interest on the Outstanding Bonds and Parity Obligations becoming due and payable during such Fiscal Year, including all mandatory sinking account payments during such Fiscal Year.

**Pledge of Net Revenues.** The Bonds are special obligations of the Authority and are payable solely from and secured by a pledge of Net Revenues of the Enterprise and other funds as described in the Indenture. “Net Revenues,” as defined in the Indenture, generally consist of the gross revenues of the Enterprise, less operating and maintenance expenses of the Enterprise. Net Revenues are pledged, as a first and prior lien thereon, to pay the Bonds and payments with respect to any parity obligations previously and hereafter issued or incurred by the Authority (the “Parity Obligations”). The Bonds will be secured on a parity with the Authority’s Whittier Utility Authority Water Revenue Bonds, Series 2012 (the “2012 Bonds”), which are currently outstanding in the aggregate principal amount of \$7,470,000, and which will be outstanding in the aggregate principal amount of \$7,065,000 after June 1, 2020.

See “SECURITY FOR THE BONDS—Pledge of Net Revenues.”

A reserve fund has not been established for the Bonds.

**Parity Obligations.** Additional revenue bonds issued or incurred on a parity with the Bonds and the 2012 Bonds may be issued or incurred pursuant to and subject to the limitations of the Indenture. See “SECURITY FOR THE BONDS—Limitations on Future Obligations Secured by Net Revenues.” Following issuance of the Bonds, the only outstanding obligations on a parity with the Bonds will be the 2012 Bonds.

The Authority will covenant in the Indenture that it will not issue any obligations senior to the Bonds and any Parity Obligations.

THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE BONDS IS A SPECIAL OBLIGATION OF THE AUTHORITY AND IS PAYABLE SOLELY FROM THE NET REVENUES AND THE OTHER FUNDS AS PROVIDED IN THE INDENTURE, AND DOES NOT CONSTITUTE A DEBT OF THE CITY, THE AUTHORITY OR THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

## **Payment**

Principal of the Bonds will be payable in each of the years and in the amounts set forth on the inside cover page hereof at the office of the Trustee. Interest on the Bonds will be paid by check or draft of the Trustee mailed by first class mail to the person entitled thereto. See “THE BONDS—General Provisions.” Initially, principal of and interest on the Bonds will be payable when due by wire of the Trustee to The Depository Trust Company (“DTC”), which will in turn remit such interest and principal to DTC Participants (as defined herein), which will in turn remit such interest and principal to Beneficial Owners (as defined herein) of the Bonds. See “THE BONDS—Book-Entry Only System.”

## **Redemption**

The Bonds are subject to redemption prior to their stated maturity dates, as provided herein. See “THE BONDS—Redemption.”

## **Form of Bonds**

The Bonds will be dated as of their date of delivery and will be issued in fully registered form, without coupons, in the minimum denominations of \$5,000 or any integral multiple thereof. Any Bond may, in accordance with its terms, be transferred or exchanged, pursuant to the provisions of the Indenture. See “THE BONDS—General Provisions.”

## **Book-Entry System**

The Bonds will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in denominations of \$5,000 or any integral multiple thereof, in book-entry form only. Upon receipt of payments of principal and interest on the Bonds, DTC will in turn remit such principal and interest to the participants in DTC for subsequent disbursement to the beneficial owners of the Bonds. See “THE BONDS—Book-Entry Only System” and APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

## **Risks of Investment**

The Bonds are payable from certain money available to the Authority from the Enterprise and from other funds provided in the Indenture. For a discussion of some of the risks associated with the purchase of the Bonds, see “RISK FACTORS RELATING TO THE BONDS.”

NEITHER THE BONDS NOR THE OBLIGATION TO PAY PRINCIPAL OF OR INTEREST THEREON CONSTITUTES A DEBT OF THE AUTHORITY, THE CITY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE AUTHORITY. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF NET REVENUES AND CERTAIN FUNDS PROVIDED IN THE INDENTURE.

## **Continuing Disclosure**

The City, on behalf of the Authority, has covenanted, for the benefit of the owners and beneficial owners of the Bonds, to provide certain financial information and operating data relating to the Enterprise by not later than nine months following the end of each Fiscal Year (currently June 30), and to provide notices of the occurrence of certain enumerated events. See “CONTINUING DISCLOSURE” and APPENDIX C—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

## **Forward-Looking Statements**

This Official Statement, and particularly the information contained under the headings entitled “THE FINANCING PLAN,” “ESTIMATED SOURCES AND USES OF FUNDS,” “SECURITY FOR THE BONDS,” “THE ENTERPRISE” and APPENDIX E—GENERAL INFORMATION REGARDING THE CITY OF WHITTIER AND LOS ANGELES COUNTY, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 2000. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized

and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The City and the Authority are not obligated to issue any updates or revisions to the forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based occur. See “RISK FACTORS RELATING TO THE BONDS.”

**Other Matters**

There follows in this Official Statement brief descriptions of the Bonds, the security for the Bonds, the Indenture, the Authority, the City, the Enterprise, and certain other information relevant to the issuance of the Bonds. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions. All statements herein with respect to such documents are qualified in their entirety by reference to each such document for the complete details of all of their respective terms and conditions. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors’ rights generally. Copies of the Indenture are available for inspection during business hours at the corporate trust office of the Trustee.

The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement nor any sale made hereunder nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City and the Authority since the date hereof.

All financial and other information presented in this Official Statement has been provided by the Authority from its records, except for information expressly attributed to other sources. The presentation of information, including the table of receipts from taxes and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial or other affairs of the Authority. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

**Other Information**

This Official Statement speaks only as of its date and the information contained herein is subject to change without notice. Copies of the Indenture are available from the Authority upon written request to the City, 13230 Penn Street, Whittier, CA 90602-1716, Attention: Administrative Services Director. The City may impose a charge for copying, mailing and handling expenses related to any request for documents.

**ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds are as follows:

<b>Sources</b>	
Principal Amount of Bonds	\$
Plus: Original Issue Premium	
Plus: 2009 Bonds Reserve Fund	
<b>TOTAL SOURCES</b>	<u><u>\$</u></u>
<b>Uses</b>	
Deposit to Escrow Fund	\$
Costs of Issuance <sup>(1)</sup>	
<b>TOTAL USES</b>	<u><u>\$</u></u>

<sup>(1)</sup> Costs of Issuance include the underwriter’s discount, legal fees, printing costs, rating agency fees and other miscellaneous expenses.

## THE FINANCING PLAN

The Bonds are being issued to provide funds to (a) refund, on a current basis, the 2009 Bonds maturing on and after June 1, 2021, and (b) pay a portion of the costs of issuance of the Bonds.

A portion of the proceeds from the sale of the Bonds will be deposited into an escrow fund (the “Escrow Fund”) to be created and maintained by U.S. Bank National Association, as escrow bank (the “Escrow Bank”). The moneys deposited in the Escrow Fund will be held in cash, uninvested and will be sufficient to redeem the outstanding 2009 Bonds maturing on and after June 1, 2021, in full on June \_\_, 2020,\* at a redemption price equal to 100% of the principal amount of such 2009 Bonds plus accrued interest to such date. As a result of the deposit and application of cash in the Escrow Fund, the obligation of the Authority with respect to the 2009 Bonds maturing on and after June 1, 2021, will be defeased and discharged on the delivery date of the Bonds.

The 2009 Bonds to be defeased are as follows:

<i><b>Maturity Date</b></i>	<i><b>Amount Defeased</b></i>	<i><b>Interest Rate</b></i>	<i><b>Redemption Date*</b></i>	<i><b>Redemption Price</b></i>	<i><b>CUSIP† No.</b></i>
6/1/21	\$ 250,000	4.000%	6/__/20	100.000	96678J BF3
6/1/22	260,000	4.250	6/__/20	100.000	96678J BG1
6/1/23	270,000	4.500	6/__/20	100.000	96678J BH9
6/1/24	285,000	4.500	6/__/20	100.000	96678J BJ5
6/1/29	1,605,000	6.200	6/__/20	100.000	96678J BN6
6/1/39	4,340,000	6.280	6/__/20	100.000	96678J BP1

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## DEBT SERVICE REQUIREMENTS

Annual debt service on the Bonds and the 2012 Bonds (assuming no redemptions of the Bonds or the 2012 Bonds other than sinking fund redemption) is presented below.

<i>Year Ending June 1</i>	<i>Bonds</i>			<i>2012 Bonds</i>	<i>Aggregate Debt Service</i>
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>		
2020				\$ 677,075.00	
2021				680,875.00	
2022				678,875.00	
2023				681,275.00	
2024				680,575.00	
2025				681,575.00	
2026				676,325.00	
2027				680,325.00	
2028				678,325.00	
2029				682,650.00	
2030				676,425.00	
2031				678,425.00	
2032				679,825.00	
2033				680,625.00	
2034				-	
2035				-	
2036				-	
2037				-	
2038				-	
2039				-	
TOTAL				\$9,513,175.00	

## THE BONDS

### Authority for Issuance

The Bonds are authorized pursuant to the Bond Law, the Indenture and the Resolution.

### General Provisions

**Repayment of the Bonds.** The Bonds are issued under the Indenture as fully registered bonds in denominations of \$5,000 or any integral multiple thereof and will be dated their date of delivery. The Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) authenticated after fifteenth (15th) calendar day of the month immediately preceding an Interest Payment Date (a “Record Date”) and on or before the following Interest Payment Date, in which event they shall bear interest from such Interest Payment Date, or (b) unless authenticated on or before the first Record Date, in which event they shall bear interest from their date of initial delivery; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bonds shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

The Bonds will initially be issued in book-entry only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Purchasers of the Bonds will not receive certificates representing their interests therein, which will be held at DTC. See “THE BONDS—Book-Entry Only System” and APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

The Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement.

Interest on the Bonds will be payable semiannually on each June 1 and December 1, commencing December 1, 2020, by check, mailed by the Trustee on each Interest Payment Date to the registered owners of record on the fifteenth day of the month preceding such Interest Payment Date, at their addresses as they appear on the Registration Books maintained by the Trustee; provided, however, that payment of interest will be made by wire transfer in immediately available funds to DTC, so long as the Bonds are held in book-entry only form, or to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to an account in a state or national bank in the United States of America to the Trustee before the applicable Record Date. Interest on the Bonds will be calculated based on a 360-day year of twelve 30-day months.

Principal of and premium, if any, on the Bonds is payable upon surrender of the Bonds to the Trustee at its Trust Office.

***Transfer or Exchange of the Bonds.*** The Bonds may be transferred or exchanged at the principal office of the Trustee, to the extent and upon the conditions set forth in the Indenture. The Trustee may require the payment of a reasonable service charge by the owner of any Bond requesting exchange, and the Trustee will require payment of a sum sufficient to cover any tax or other governmental charge required to be paid with respect thereto. The Trustee may refuse to transfer or exchange any Bonds during the period established for the selection of Bonds for redemption or the portion of any Bond selected for redemption.

If a Bond is mutilated, lost, stolen or destroyed, the Trustee, at the expense of the owner of such Bond, will authenticate, subject to the provisions of the Indenture, a new Bond of like tenor and amount. In the case of a lost, stolen or destroyed Bond, the Trustee may require that an indemnity be furnished and payment of an appropriate fee for each new Bond delivered in replacement of such Bond and may require payment of the expenses of the Authority and the Trustee incurred in connection therewith.

## **Redemption**

***Optional Redemption.*** The Bonds maturing on or before June 1, \_\_\_\_, are not subject to optional redemption prior to maturity. The Bonds maturing on or after June 1, \_\_\_\_, are subject to redemption prior to their respective maturity dates, at the option of the Authority, as a whole or in part, in such order of maturity as shall be selected by the Authority (or in inverse order of maturity if the Authority shall fail to select a particular order) and by lot within a maturity, on any date on or after June 1, \_\_\_\_, from any source of available funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

***Selection of Redeemed Bonds.*** Whenever provision is made for the redemption of less than all of the Bonds or any given portion thereof, the Trustee shall select the Bonds to be redeemed, from all Bonds of or such given portion thereof not previously called for redemption, on a pro rata basis among maturities, and by lot within a maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. The Trustee shall promptly notify the Authority in writing of the Bonds or portions thereof so selected for redemption.

***Notice of Redemption.*** Notice of any such redemption will be given by the Trustee on behalf and at the expense of the Authority by mailing a copy of a redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to each Owner of the Bond or Bonds to be redeemed at the address shown on the Registration Books; provided, however, that neither the failure to receive such notice nor any defect in any notice will affect the sufficiency of the proceedings for the redemption of the Bonds.

All notices of redemption will be dated and state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable with respect to each such Bond or portion thereof called for redemption, and that interest with respect thereto will cease to accrue from and after said date, (v) the place where such Bonds are to be surrendered for payment of the redemption price, and (vi) in the case of an optional redemption, that such notice of redemption is revocable, no later than the date set for redemption, notification of such revocation to be provided in the same manner as notice of redemption had been provided. Such notice of optional redemption will state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption will not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event will not constitute an Event of Default; the Trustee will send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given will remain Outstanding for all purposes of the Indenture.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority defaults in the payment of the redemption price) interest with respect to such Bonds or portions of Bonds will cease to accrue and be payable. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date will be payable as provided in the Indenture for payment of interest. Upon surrender for any partial redemption of any Bond, there will be prepared for the Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed will be canceled by the Trustee, will not be reissued and will be destroyed pursuant to the Indenture.

In addition to the foregoing notice to the Owners, notice shall also be given by the Trustee at least 20 days before the redemption date, by telecopy, registered, certified or overnight mail or by such other acceptable means, to all Securities Depositories and to an Information Service which will state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption if notice thereof is given the Owners as described above.

The Trustee has no responsibility for a defect in the CUSIP number that appears on any Bond or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of Bond Owners and that the Trustee and the Authority are not liable in any way for inaccuracies in said numbers

### **Book-Entry Only System**

The Bonds will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Bonds so purchased. Individual purchases will be made in book-entry form. One fully registered Bond certificate will be issued for each maturity of the Bonds having the same interest rate, in the aggregate principal amount of such maturity and will be deposited with DTC. Purchasers will not receive a certificate representing their beneficial ownership interest in Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondowners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the "Beneficial Owners" of the

Bonds. In this Official Statement, the term “Beneficial Owner” shall mean the person for whom a DTC Participant acquires an interest in the Bonds. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer of same day funds by the Trustee to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

## **SECURITY FOR THE BONDS**

*The general fund of the City is not liable for and the credit or taxing power of the City is not pledged for the payment of the principal of and interest on the Bonds. The Owners of the Bonds may not compel the exercise of the taxing power by the City or the forfeiture of its property. The principal of and interest on the Bonds are not a debt of the City, the Authority, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of their property, or upon any of its income, receipts, or revenues except the Net Revenues of the Enterprise.*

### **Pledge of Net Revenues**

All Gross Revenues and all amounts on deposit in the Gross Revenue Fund are irrevocably pledged in the Indenture to the payment of debt service on the Bonds and any Parity Obligations, as provided herein.

The Bonds and any Parity Obligations shall be secured by a first pledge of all of the Net Revenues. In addition, the Bonds shall be secured by a pledge of all of the moneys in all funds and accounts held by the Trustee under the Indenture, including all amounts derived from the investment of such moneys. Such pledge shall constitute a lien on the Net Revenues and such other moneys for the payment of the principal of and interest on the Bonds in accordance with the terms of the Indenture. The Bonds and any Parity Obligations shall be equally secured by a pledge, charge and lien upon the Net Revenues, without priority for number or date. So long as any of the Bonds are Outstanding, the Net Revenues and such moneys shall not be used for any other purpose, except as set forth in the Indenture.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein.

In the Indenture, the Authority represents and warrants that, other than with respect to the 2012 Bonds, it has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues that ranks on a parity with or prior to the pledge granted thereunder. The Authority also represents and warrants that it has not described the Net Revenues in a Uniform Commercial Code financing statement that will remain effective when the Bonds are issued, except in connection with the foregoing pledges, assignments, liens, and security interests. The Authority shall not, after the date of the Indenture, make or suffer to exist any pledge or assignment of, lien on, or security interest in the Net Revenues that ranks prior to or on a parity with the pledge granted hereunder, or file any financing statement describing any such pledge, assignment, lien, or security interest, except as expressly permitted under the Indenture.

The Authority will, to the extent required by law, cause all instruments to be kept, recorded and filed in such manner and in such places as may be required by law in order to create, perfect, preserve and protect fully the security of the Owners in the Net Revenues and any other collateral and the rights of the Trustee. The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed,

acknowledged and delivered such further acts, instruments and transfers as may be required for the better securing, assuring, continuing, transferring, conveying, pledging, assigning and confirming unto the Owners or the Trustee, the Net Revenues and any other collateral pledged to the payment of the principal of and interest on the Bonds. Except to the extent it is exempt therefrom, the Authority will pay or cause to be paid all filing fees incident to such filing and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments of further assurance.

### **Receipt, Deposit and Application of Gross Revenues and Net Revenues**

The Authority agrees that, so long as any of the Bonds and any Parity Obligations remain Outstanding, all of the Gross Revenues shall be deposited as soon as practicable upon receipt in a fund or funds, collectively designated as the "Gross Revenue Fund" which the City has previously established. The Authority may commingle amounts in said fund with other monies of the Authority for investment purposes, so long as it maintains accounting records which at all times identify the amount therein and any investment gains or losses thereon.

***Application of Gross Revenues.*** All of the Gross Revenues shall be deposited by the City, on behalf of the Authority, immediately upon receipt in the Gross Revenue Fund. All Gross Revenues shall be held in trust by the City, on behalf of the Authority, in the Gross Revenue Fund and shall be applied, transferred, used and withdrawn only for the following purposes:

(a) The Authority shall withdraw from the Gross Revenue Fund such amounts at such times as shall be required to pay all Maintenance and Operation Costs as they come due and payable.

(b) On or before the 15th day of each May and November, the City, on behalf of the Authority, shall withdraw from the Gross Revenue Fund and (i) transfer to the Trustee, for deposit in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust, an amount which, together with the balance then on deposit in the Bond Fund, the Interest Account and the Principal Account (other than amounts required for payment of principal of or interest on any Bonds which have matured or been called for redemption but which have not been presented for payment), is equal to the aggregate amount of principal of and interest coming due and payable on the Bonds on the next succeeding Interest Payment Date and (ii) transfer to the Trustee an amount equal to the aggregate amount of principal of and interest coming due and payable on any Parity Obligations on the next succeeding Interest Payment Date.

(c) After making the payments, allocations and transfers provided for in subparagraphs (a) and (b) above, (i) if the balance in a bond reserve account established for any Parity Obligations is less than the reserve requirement established for such Parity Obligations, the notice of which deficiency shall have been given to the Authority, or (ii) if any reserve surety bond for any Parity Obligations has been drawn upon to make delinquent payments, the notice of which deficiency shall have been given to the Authority, the deficiency shall be restored by transfers from the first moneys which become available in the Gross Revenue Fund to the Trustee for deposit in the reserve account established for such Parity Obligations, such transfers to be made no less than semiannually.

***Release from Lien.*** Following the transfers described above with respect to each Interest Payment Date, any moneys remaining in the Gross Revenue Fund may at any time be treated as surplus and applied for any lawful purpose, including but not limited to, deposits to the Rate Stabilization Fund.

"Enterprise" means any and all facilities, properties and improvements at any time controlled or operated by the Authority used or pertaining to the supply of water, consisting of the entire water production and distribution enterprise of the Authority, including all additions, extensions, expansions, improvements and betterments thereto and equipments thereof and any necessary lands, rights of way and other real and personal

property useful in connection therewith, but exclusive of any portion of the existing system not required for the continued operation thereof; provided, however, that to the extent the Authority is not the sole owner of an asset or property, or lessee thereof from the City, only the Authority's ownership interest in such asset or property or leasehold interest therein from the City, will be considered a part of the Enterprise.

“Gross Revenues” means all gross charges received for, and all other gross income and revenues derived by the Authority from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, excluding transfers to the Rate Stabilization Fund, including but not limited to (a) all fees and charges received by the Authority for the services of the Enterprise, (b) all receipts derived from the investment of such income or revenues, (c) proceeds from the sale of production water rights, and (d) transfers from the Rate Stabilization Fund.

“Maintenance and Operation Costs” means the reasonable and necessary costs of maintaining and operating the Enterprise, calculated based upon accounting principles consistently applied, including (among other things) the reasonable expenses of management, personnel, services, equipment, repair and other expenses necessary to maintain and preserve the Enterprise in good repair and working order, and reasonable amounts for administration, overhead, insurance, taxes (if any) and other similar costs, but excluding in all cases depreciation and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature. Maintenance and Operation Costs do not include lease payment, if any, paid by the Authority to the City for the lease of the Enterprise.

“Net Revenues” means, for any Fiscal Year, the amount of the Gross Revenues received during such period less the amount required to pay all Maintenance and Operation Costs becoming payable with respect to such Fiscal Year.

#### **Rate Covenant**

The Authority shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts in the following order:

- (a) all Maintenance and Operation Costs estimated by the Authority to become due and payable in such Fiscal Year;
- (b) the principal of and interest on the Outstanding Bonds and Parity Obligations becoming due and payable during such Fiscal Year, including all mandatory sinking account payments during such Fiscal Year;
- (c) all other payments required for compliance with the Indenture and the instruments pursuant to which any Parity Obligations shall have been issued; and
- (d) all payments required to meet any other obligations of the Authority which are charges, liens, encumbrances upon or payable from the Gross Revenues or the Net Revenues.

In addition, the Authority shall, to the extent permitted by law, fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are sufficient to yield Net Revenues at least equal to one hundred twenty-five percent (125%) of the amounts payable under the preceding clause (b) in such Fiscal Year.

#### **No Reserve Fund**

Neither the Authority nor the City have established a debt service reserve fund or account in connection with the issuance of the Bonds.

## **Rate Stabilization Fund**

The “Rate Stabilization Fund,” previously created, held and maintained by the Authority, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Enterprise is continued under the Indenture. From time to time the Authority may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues which are released from the pledge and lien which secures the Bonds, as the Authority may determine.

The Authority may, but is not required to, withdraw amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Gross Revenue Fund in any Fiscal Year for the purpose of paying the principal of and interest on the Bonds and any outstanding Parity Obligations coming due and payable in such Fiscal Year.

Amounts so transferred from the Rate Stabilization Fund to the Gross Revenue Fund shall constitute Gross Revenues for such Fiscal Year (except as otherwise provided in the Indenture) and shall be applied for the purposes of the Gross Revenue Fund. Amounts on deposit in the Rate Stabilization Fund shall not be pledged to or otherwise secure the Bonds or any Parity Obligations.

To the extent that the Authority appropriates funds from Gross Revenues into the Rate Stabilization Fund for the Enterprise, a deduction shall be made from Gross Revenues of the Enterprise in the Fiscal Year during which said transfer occurred for purposes of calculations to be made under the Indenture. To the extent that the Authority appropriates funds from the Rate Stabilization Fund into the Gross Revenue Fund, the Authority may count the funds so transferred as Gross Revenues in the Fiscal Year in which said transfer occurs.

All interest or other earnings on deposits in the Rate Stabilization Fund shall be retained therein or, at the option of the Authority, be applied for any other lawful purposes. The Authority has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of the Authority.

## **Limitations on Future Obligations Secured by Net Revenues**

***No Obligations Superior to Bonds or Parity Obligations.*** In order to protect further the availability of the Net Revenues and the security for the Bonds and any Parity Obligations, the Authority covenants in the Indenture that no additional bonds or other indebtedness will be issued or incurred on a senior basis to the Bonds or such Parity Obligations that are payable out of the Net Revenues in whole or in part.

***Parity Obligations.*** The Authority further covenants in the Indenture that, except for obligations incurred to prepay or post a security deposit for the payment of the Bonds or Parity Obligations, the Authority may not issue or incur Parity Obligations so long as any of the Bonds are Outstanding, unless:

- (a) No Event of Default shall have occurred and then be continuing.
- (b) The indenture providing for the issuance of such Parity Obligations shall specify the purposes for which such Parity Obligations are being issued, which shall be one or both of the following:
  - (i) to provide moneys needed to finance additions, extensions, alterations or improvements to the Enterprise, including reimbursements of any sums advanced by the Authority for such purposes, or
  - (ii) to refund all or part of the 2009 Bonds, the Bonds or any Parity Obligations then Outstanding, by depositing with the Trustee, in trust, moneys or Defeasance Obligations in the necessary

amount to discharge all liability of the Authority with respect to the 2009 Bonds, the Bonds or the Parity Obligations to be refunded.

(c) The indenture providing for the issuance of such Parity Obligations may, but is not required to, provide for the payment of expenses incidental to such purposes, including the costs of issuance of such Parity Obligations, interest on such Parity Obligations and, in the case of Parity Obligations issued to refund the Bonds or other Parity Obligations, expenses incident to calling, redeeming, paying or otherwise discharging the Bonds or other Parity Obligations to be refunded.

(d) The Authority may but shall not be required to fund a reserve fund or obtain a Qualified Reserve Fund Credit Instrument with respect to any Parity Obligations. If a reserve fund is funded for any Parity Obligations or a Qualified Reserve Fund Credit Instrument is obtained with respect to any Parity Obligations, such funded reserve fund or Qualified Reserve Fund Credit Instrument shall secure only the related Parity Obligations and shall not support the Bonds or any other Parity Obligations.

(e) Parity Obligations shall be payable as to principal on June 1 in each year in which principal becomes due and shall be payable as to interest semiannually on June 1 and December 1, except that the first installment of interest may be payable on either June 1 or December 1 and shall be for a period not longer than twelve (12) months.

(f) The aggregate principal amount of Parity Obligations issued shall not exceed any limitation imposed by law.

(g) The Net Revenues, including amounts transferred from the Rate Stabilization Fund, but excluding revenues derived from the sale of production water rights, calculated based upon accounting principles consistently applied, as shown by the books of the Authority for the latest Fiscal Year for which audited financial statements are available, as shown by an audit certificate or opinion of an Independent Accountant, and including, at the option of the Authority, any or both of the items hereinafter designated (i) and (ii), shall have amounted to at least 1.25 times the sum of the Maximum Aggregate Annual Debt Service coming due and payable in any future Fiscal Year immediately subsequent to the incurring of such Parity Obligations.

Any or all of the following items may be added to such Net Revenues for the purpose of applying the restriction contained in this paragraph (g):

(i) An allowance for Net Revenues from any additions to or improvements or extensions of the Enterprise to be made with the proceeds of such Parity Obligations, and also for Net 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, were not in service, all in an amount equal to 70% 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 by the certificate or opinion of a qualified independent engineer employed by the Authority.

(ii) An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the issuance of such Parity Obligations but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 90% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the issuance of such Parity Obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the Authority; provided, however, that any increase in the charges that is temporary in nature, for example to address drought conditions, shall not be included.

(h) The estimated Net Revenues, including amounts transferred from the Rate Stabilization Fund, for the then current Fiscal Year, and including at the option of the Authority, any or both of the items described



in the items designated (i) and (ii) immediately above, will produce a sum at least equal to 1.25 times the Maximum Aggregate Annual Debt Service including such proposed Parity Obligations.

Nothing contained in the Indenture shall prevent or be construed to prevent the instrument providing for the issuance of Parity Obligations from pledging or otherwise providing, in addition to the security given or intended to be given by the Indenture, additional security for the benefit of such Parity Obligations or any portion thereof.

The Authority may borrow moneys from the State to finance improvements to the Enterprise (a “State Loan”), and may borrow moneys from the United States Environmental Protection Agency under its Water Infrastructure Finance and Innovation Act loan program (a “WIFA Loan”) which borrowings shall constitute Parity Obligations but which otherwise satisfy the parity test described above except that the payment dates may be other than those described in paragraph (e) above. The Authority shall not make a payment on a State Loan or a WIFA Loan with payment dates that precede the Interest Payment Dates if to do so would cause the Authority to fail to make a timely payment of debt service on the Bonds or other Parity Obligations and, in such case, the Authority shall make such payment on a State Loan to the extent that available Net Revenues would be paid with respect to such State Loan, the debt service on the Bonds and other Parity Obligations on a pro rata basis.

***Subordinate Obligations.*** Additional obligations may be issued on a basis subordinate to the Bonds and Parity Obligations without limitation.

## **THE AUTHORITY**

The Authority was established in February 2002 to provide for the lease, ownership, operation, management and maintenance of any utility system or service, the financing of public capital improvements for and working capital requirements and insurance programs of the Members and any local agency, including without limitation, financings relating to any utility system or service through the lease, acquisition or construction by the Authority of such public capital improvements, the purchase by the Authority of indebtedness of any of the Members or a local agency.

## **THE ENTERPRISE**

### **Overview of the Enterprise**

The Enterprise provides water service to approximately 52 percent of the residences and businesses within the City. The Enterprise’s service area comprises roughly the western half of the City. The Enterprise sources its water from local groundwater basins and sources irrigation water from wastewater reclamation plants. The Enterprise has the legal rights to pump groundwater from both the Main San Gabriel Basin and Central Basin.

The Enterprise’s current water system includes supply, distribution and storage components, consisting of twelve (12) reservoirs, seven (7) wells, six (6) pump station facilities, 143 miles of pipeline ranging from 4 to 30 inches in main diameter, twenty three (23) pressure reducing valves, ten (10) pressure relief valves, three (3) pressure sustaining valves, and eleven (11) emergency connections between pressure zones. In addition to providing retail water service to its rate payers, the Enterprise, through its system interconnections, can provide water to the Cities of Pico Rivera, Santa Fe Springs, and Suburban Water Systems.

### **Management**

The Enterprise is operated by the City’s Public Works Department and is under the responsibility of the Director of Public Works. The Water and Sewer Manager supervises twelve staff members. Staff

members perform administrative, engineering, construction and maintenance, water production, water treatment, water quality, preventative maintenance, and customer service activities.

***Kyle Cason, Director of Public Works.*** As the Director of Public Works, Mr. Cason oversees the Enterprise, as well as the City's transportation, sewer, landfill operations, fleet, building maintenance, engineering, and private development review. Mr. Cason has over 13 years of engineering experience, including 10 years at the City. Mr. Cason has an Bachelor of Science Degree in Civil Engineering from Valparaiso University in Indiana. Mr. Cason started in land development with a private engineering firm before joining the City to assist with private development and capital improvements. He built the City's engineering team tasked with replacing water and sewer mains in an accelerated time frame. Mr. Cason has been involved with water operations with the City for five years, where he has helped the water division increase efficiencies and ramp up necessary regular maintenance tasks. Mr. Cason has been very involved with Main San Gabriel Basin and Central Basin governance, participating in the Central Basin MWD Budget Ad Hoc Committee. Mr. Cason is a licensed professional engineer in California (Civil) and a Grade 2 Distribution Certification in California.

***Raymond Cordero, Water and Sewer Manager.*** Mr. Cordero joined the City in May 2019. He has 22 years' experience in the water industry. In addition to managing robust operation and maintenance programs, he has managed projects like well and reservoir rehabilitation, assisting with planning and implementing a \$2.5 million state water project, and the implementation of a modern Supervisory Control and Data Acquisition system. Mr. Cordero holds a Grade IV Water Distribution license and a Grade III Water Treatment license from the State of California.

## **Employee Relations**

The Whittier City Employees Association represents the Enterprise's non-management employees as a collective bargaining unit. The current contract expires on June 30, 2021. The Enterprise has not experienced a labor stoppage or an interruption in service since its inception.

## **Service Area**

The Enterprise's service area comprises roughly the western half of the City. The service area is generally located west of Catalina Avenue, north of Whittier Boulevard, and east of the I-605 Freeway. Approximately 50,000 people reside within the incorporated 3,492 acres of service area as of the date of this official statement. About 52% of the total number of residents and businesses residing within the City's boundaries receive water from the Enterprise. All other parts of the City receive their water service from either Suburban Water Systems, California Domestic Water Company, or the San Gabriel Valley Water Company.

The service area is essentially fully developed and the number of water customers has been relatively stable in recent years. The Groves, a mixed-use project set on approximately 75 acres at the intersection of Whittier Boulevard and Philadelphia Street that is currently under construction on the site of a former state correctional facility, is anticipated to add up to 750 new housing units, additional commercial property and associated landscaping features to the Enterprise's service area. Other than the Groves, no additional significant growth within the service area is anticipated.

The service area elevations vary from about 154 feet to 756 feet above mean sea level. Six pressure zones, established by reservoir high water elevations, have been designed to accommodate the elevation range within the service area.

A map of the Enterprise's water service area and the City's boundaries is provided on the following page.

## **Enterprise Insurance**

The City is self-insured for the first \$\_\_\_\_ on each property damage claim against the City. Insurance coverage in excess of the self-insured amount is provided by \_\_\_\_ up to a limit of \$\_\_\_\_. Certain Enterprise System components, including pipelines are not covered by property insurance. The City does not carry earthquake coverage. See “RISK FACTORS RELATING TO THE BONDS—Natural Disasters.”

The City maintains directors and officers and employee dishonesty insurance coverage for amounts up to \$\_\_\_\_, with a \$\_\_\_\_ deductible.

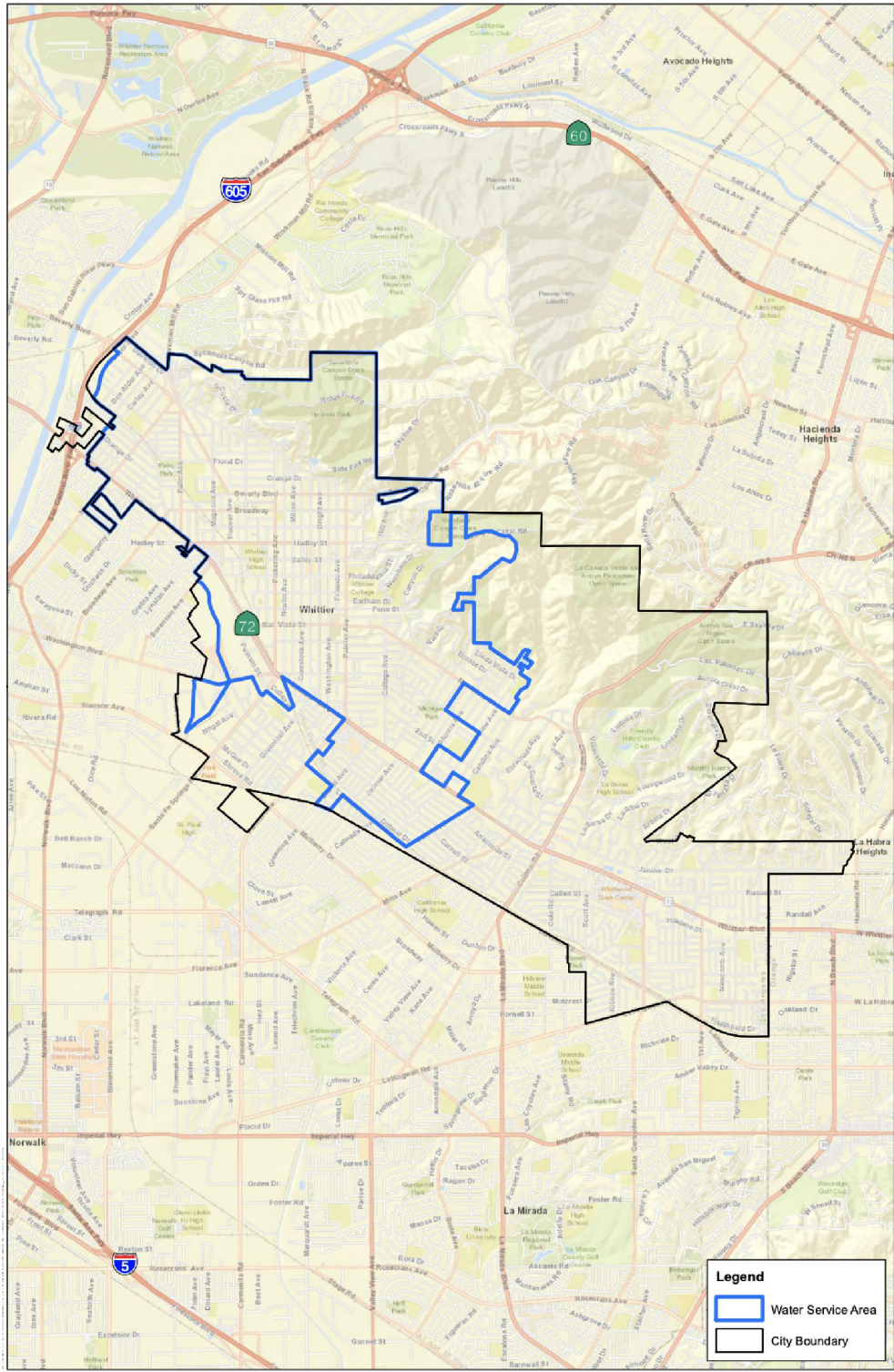
The City adopted a self-insured workers’ compensation program which is administered by a third party administrator. The City has a self-insured retention of up to \$500,000 on each claim. Insurance coverage in excess of the self-insured amount is provided by Public Risk Innovation, Solutions, and Management, a joint powers authority, at statutory amounts for workers’ compensation.

The City is also self-insured for the first \$500,000 on each general liability claim against the City. Insurance coverage in excess of the self-insured amount is provided by California Insurance Pool Authority up to a limit of \$33 million.

The City has not settled any claims that exceeded its insurance coverages in the past three years.

The City can provide no assurance that it will maintain the above insurance coverage amounts while the Bonds are outstanding. See Appendix A under the caption “MAINTENANCE, TAXES, INSURANCE AND CONDEMNATION” for a description of insurance coverages that are required to be maintained while the Bonds are Outstanding.

# WATER ENTERPRISE SERVICE AREA MAP





  
 Source: City of Whittier, East Street Maps

CITY OF WHITTIER MASTER PLAN  
**Water Service Area**

## **Water Supply and Water Production Rights**

The Enterprise's water comes primarily from local groundwater resources. The groundwater is located in two groundwater basins divided by the Whittier Narrows Dam: the Main San Gabriel Basin to the north of the Whittier Narrows Dam and the Central Basin to the south of the Whittier Narrows Dam.

The Main San Gabriel Basin is a large groundwater basin that covers approximately 167 square miles and is bounded by the San Gabriel Mountains to the north, San Jose Hills to the east, Puente Hills to the south, and by a series of hills and the Raymond Fault to the west. The Main San Gabriel Basin is replenished by stream runoff from the adjacent mountains and hills, by rainfall directly on the surface of the valley floor, subsurface inflow from Raymond Basin and Puente Basin, and by return flow from water applied for overlying uses. Additionally, the Main San Gabriel Basin is replenished with imported water. The Main San Gabriel Basin serves as a natural storage reservoir, transmission system and filtering medium for wells constructed therein. The total freshwater storage capacity of the Main San Gabriel Basin is estimated to be about 9.5 million acre-feet. Of that, about 1,100,000 acre-feet have been used historically in Main San Gabriel Basin operations.

The Central Basin covers approximately 270 square miles and is bounded on the north by the Hollywood Basin and the Elysian, Repetto, Merced, and Puente Hills, to the east by the Los Angeles County/Orange County line, and to the south and west by the Newport-Inglewood Uplift. The aquifers of the Central Basin receive their water supply primarily from the surface and subsurface inflow of water from the San Gabriel Valley. The water originates as rainfall in the San Gabriel Mountains, the runoff from which is conveyed to the Los Angeles River, the Rio Hondo, and the San Gabriel River.

The water production rights in both the Central Basin and the Main San Gabriel Basin have been adjudicated and are managed by court-appointed Watermasters according to terms of the Judgments that were entered in those actions (Amended Judgment for the Main San Gabriel Basin, LASC Case No. 924128; Second Amended Judgment for the Central Basin, LASC Case No. 786656). In the Central Basin, the City's annual water production right is fixed at 895 acre-feet per year with 60% of the annual water production right (539 acre-feet) allowed to be carried over to the following year. In the Main San Gabriel Basin, the City's production right changes from year to year depending on the Main San Gabriel Basin "Operating Safe Yield" ("OSY") as determined annually by the Watermasters. The OSY is established each year by the Watermasters for each basin based on groundwater availability and is defined as the quantity of water that can be pumped from the basin prior to the Watermasters needing to purchase additional water supplies to replenish the basin. The City's adjudicated annual water production right in the Main San Gabriel Basin is 4.185% of the OSY with carryover not to exceed the annual production right.

The City as a party to the Judgments in both basins is able to lease annual production rights to and from other parties in each of the basins.

Historical water rights, production and carryover for Fiscal Years 2014-15 through 2018-19 are described in the table below.

**Table 1**  
**HISTORICAL WATER RIGHTS, PRODUCTION, and CARRYOVER**  
**(Amounts in Acre-feet)<sup>(1)</sup>**  
**Fiscal Years 2014-15 through 2018-19**

<i>Fiscal Year</i>	<i>Central Basin</i>				<i>Main San Gabriel Basin</i>			
	<i>Total Production Right (in AF)</i>	<i>Carry Over From Previous Year</i>	<i>Amount Pumped (in AF)</i>	<i>Carry Over To Next Year (in AF)</i>	<i>Total Production Right (in AF)</i>	<i>Carry Over From Previous Year</i>	<i>Amount Pumped (in AF)</i>	<i>Carry Over To Next Year (in AF)</i>
2014-15	3,916	21	3,031	885	9,599	5,322	4,792	4,807
2015-16	4,780	885	3,113	1,666	9,085	4,807	3,611	5,474
2016-17	5,561	1,666	3,225	2,337	9,712	5,474	3,654	6,148
2017-18	5,582	2,337	3,635	1,947	9,876	6,148	3,656	6,220
2018-19	7,402	1,947	4,733	2,669	8,434	6,220	2,156	6,278

<sup>(1)</sup> One acre-foot (“AF”) equals 325,851 gallons, approximately equal to 436 billing units (hundred cubic feet).  
Source: Whittier Utility Authority.

The City uses approximately 7,000 acre-feet of water to meet the needs of its residential and business water customers in a typical year. As needed or when economically feasible the City is able to lease (acquire) additional water production rights in the Central Basin, thus creating additional excess water production rights in the Main San Gabriel Basin. At the start of Fiscal Year 2019-20 the City had a portfolio of 16,119 acre-feet of water production rights. Thus, in Fiscal Year 2019-20 the City had 9,119 acre-feet of water production rights in excess of the estimated needs of its customers based on historical consumption rates. The excess water production rights can be leased out to other agencies to produce water production rights revenues.

The estimated future water production rights revenues are speculative and dependent on climate conditions and market conditions. As such, the projections of Net Revenues herein do not include such water production rights revenues.

The City has chosen to shift a majority of operations to the Central Basin in the last two years. This shift was necessary due to the Whittier Narrows Operable Unit (“WNOU”) not running at full capacity to treat contamination in the area of the City’s Main San Gabriel Basin Wells. The City leases in water rights from other purveyors in the Central Basin and then in turn leases out water rights to other purveyors in the Main San Gabriel Basin. The City is able to shift water production to and from the Central Basin and the Main San Gabriel Basin depending on its water rights, the respective costs of pumping from each basin, and water quality requirements. Whether leasing water from Central Basin or fully utilizing the City’s Main San Gabriel Basin rights, the City currently has sufficient water rights to serve their customers. The City started Fiscal Year 2019-20 with an aggregate of 16,119 acre-feet of production rights in the two basins.

**Recycled Water.** In addition to groundwater, the Enterprise also has recycled water supplies from Central Basin Municipal Water District (the “CBMWD”). The Enterprise has seven recycled water service connections within its water system. Recycled water use within the Enterprise’s service area is primarily for irrigation along the California Department of Transportation freeways and highways, in the City parks and in schools for landscaping.

**Water Use**

The Enterprise’s average daily demand during the 2018-19 fiscal year was approximately 6.2 million gallons. The highest recent daily demand during the 2018-19 fiscal year was 13.9 million gallons. Water use varies due to changes in weather patterns, temperatures, and rainfall. Water demand increases during summer

months and decreases during winter months. In the aftermath of recent drought conditions throughout the state of California, the Enterprise’s customers have become more “water wise” with their selection of gardens and indoor water use units. Water conservation mandates such as the Governor’s executive orders in 2014 and 2015 have been effective in reducing water usage. Other recent initiatives that have contributed to declining water use have included new standards for plumbing fixtures, new landscape ordinances, and new green building standards. See “—Water Conservation and Supply Shortage Contingency Measures.”

The Enterprise’s local groundwater wells can currently provide 1.5 times the maximum daily demand of the system. The groundwater wells have a total design capacity of over 23,000 gallons per minute (“gpm”), and current capacity of 13,000 gpm. Daily, monthly, weekly, and hourly water system demand and peaking factor for the 2018-19 fiscal year are described in the table below.

**Table 2**  
**ENTERPRISE DEMANDS AND PEAKING FACTORS**  
**Fiscal Year 2018-19**

<i>Demand Description</i>	<i>Existing Demand</i>			<i>Peaking Factor</i>
	<i>(gpm)</i>	<i>(mgd)</i>	<i>(AF/yr)</i>	
Average Day	4,271	6.2	6,889	1.00
Max Month	7,683	11.1	12,393	1.80
Max Week	7,715	11.1	12,444	1.81
Max Day	9,666	13.9	15,591	2.26
Peak Hour	12,789	18.4	20,629	2.99

Note: Peaking factor measures the ratio of the maximum flow to the average daily flow in the Enterprise.  
Source: Whittier Utility Authority.

**Historical Water Production and Consumption.** The table below is a five-year history of the Enterprise’s total water rights, water production and billed consumption. Water consumption is not equal to the water production. This is due to water meter inaccuracy, water loss during system maintenance, and leakage throughout the water distribution system. Water meter inaccuracies can be linked to the calibration, maintenance, and age of the device. The on-going operation and maintenance of the infrastructure is also a source of water loss due to water main flushing and fire hydrant testing. Continuous water leakage can also occur at pipe joints and fittings from several factors.

**Table 3**  
**WATER CONSUMPTION AND WATER PRODUCTION**  
**Fiscal Years 2014-15 through 2018-19**

<i>Year</i>	<i>Available Water Rights (in AF)</i>	<i>Production (in AF)</i>	<i>Consumption (in AF)</i>	<i>Unaccounted (in AF)</i>	<i>% Unaccounted</i>
2014-15	13,513	7,824	7,564	260	3.32
2015-16	13,865	6,637	6,347	285	4.29
2016-17	15,273	6,613	6,333	280	4.23
2017-18	15,458	7,291	6,837	454	6.23
2018-19	15,836	6,889	6,667	221	3.00

Source: Whittier Utility Authority.

**Water Consumption by Source.** The following table shows the sources of water consumed during the most recent five fiscal years.

**Table 4**  
**WATER CONSUMPTION BY SOURCE**  
**(Amounts in Hundred Cubic Feet)**  
**Fiscal Years 2014-15 through 2018-19**

<i>Customer Type</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>	<i>2018-19</i>
Domestic (Potable)	3,262,462	3,569,232	2,730,742	2,884,574	2,904,457
Recycled water	<u>32,267</u>	<u>25,681</u>	<u>28,043</u>	<u>30,200</u>	<u>29,144</u>
Total Water Use	<u>3,294,729</u>	<u>3,594,913</u>	<u>2,758,785</u>	<u>2,914,774</u>	<u>2,933,601</u>

Source: Whittier Utility Authority.

### **Enterprise Facilities**

Water from the Main San Gabriel Basin is produced from five (5) Enterprise wells. Water from the Central Basin is produced from two (2) Enterprise wells. Water Quality Protection Plant (“WQPP”) facility transmission mains deliver water from the Main San Gabriel Basin and Central Basin to the City’s Pumping Plant No. 2 (“PP2”), which is also known as Marshall R. Bowen Pumping Plant. PP2 is located in the City of Pico Rivera and is accessible from San Gabriel River Parkway north of Beverly Boulevard. The groundwater wells have a total design capacity of over 23,000 gpm, and current capacity of 13,000 gpm. The Enterprise’s local groundwater wells can provide 1.5 times the maximum day demand of the system which has been estimated to be 8,803 gpm (based on historical production and consumption data).

The Enterprise’s facilities also include twelve (12) reservoirs, six (6) booster pump station facilities, 143 miles of pipeline ranging from 4 to 30 inches in main diameter, twenty three (23) pressure reducing valves, ten (10) pressure relief valves, three (3) pressure sustaining valves, and eleven (11) emergency connections between pressure zones.

**Distribution System.** The Enterprise includes 143 miles of water distribution and transmission mains, ranging in size from 2-inches to 30 inches in diameter. The service area is divided into six main pressure zones (Zone 464, Zone 577, Zone 670A, Zone 670B, Zone 997A, and Zone 997B). Zone 464 is the largest pressure zone by area and it includes all of the Enterprise’s interconnections with adjacent water facilities. Pump stations are typically used by the Enterprise to boost water supplies from a pressure zone of a lower hydraulic gradient to one of a higher hydraulic gradient. Pump stations can also be used to supplement gravity storage to meet fire flow demands during an emergency or provide fire flow if no gravity storage exists in a pressure zone.

A pressure zone is an area of service supplied by a source, or a number of sources, that provides supply at a nominal hydraulic gradient. Typically, this hydraulic gradient is provided by the high water level of the reservoir serving the pressure zone. In the distribution system, some pressure zones have multiple reservoirs with different high water levels, and therefore the nominal hydraulic gradient for each pressure zone is considered to be the lowest high water level. For pressure zones with no gravity storage, the hydraulic gradient may be provided by pressure reducing valve settings or in some cases by pumping. Each pressure zone in the water system receives pressure from some combination of reservoirs, booster pump stations, and interconnections.

**Water Storage.** Typical water utility emergency storage standards do not apply to the Enterprise because the Enterprise does not use imported water (other than imported water that is used to replenish the Main San Gabriel Basin). The only requirement would be that the Enterprise facilities be capable of pumping



the water needed during an emergency from the wells to the higher zones. The operational storage criterion is one maximum day demand plus the fire flow storage required for each zone.

All the water from the Enterprise’s wells and the WQPP is pumped to the Forebays, a pair of 2.2MG reservoirs at the PP2 site. The Forebays provide contact time for the chlorination that takes place at the inlet to the basin. It also provides storage for the booster pumps at PP2.

Besides the Forebays at PP2, the Enterprise includes twelve (12) reservoirs with a total constructed volume of 22.88 million gallons. The largest of the twelve reservoirs is Greenleaf II with a 10 million gallon capacity. None have material structural issues.

The available capacity (nominal capacity) in each reservoir is considered to be 75 percent of the reservoir volume below the high water elevation due to the fact that the lower portions of the reservoirs cannot be used because air would be drawn into the system, and they cannot always be maintained full prior to an emergency.

### Historical and Planned Capital Improvements

The capital improvements completed from fiscal year 2014-15 to fiscal year 2018-19 are shown in the following table.

**Table 5**  
**HISTORICAL CAPITAL EXPENDITURES**  
**Fiscal Years 2014-15 through 2018-19**

<i>Project Name</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>	<i>2018-19</i>	<i>Total</i>
Pumping Plant Replacement	\$ 11,129,424	\$ 7,514,443	\$ 44,778	\$ -	\$ -	\$ 18,688,645
Water Meter Replacement	206,664	179,912	336,758	163,918	-	887,252
Well Rehabilitation	-	104,071	15,318	-	-	119,389
Water Main Replacement	-	96,548	1,840,567	2,791,874	5,412,209	10,141,198
South Wind Drive	-	-	308,889	-	-	308,889
Palm Ave	-	-	720,163	-	-	720,163
Emergency Repairs	-	-	-	188,230	123,251	311,481
City Yard Improvements	-	-	-	-	236,049	236,049
Other	5,843	50,004	53,590	20,729	45,040	175,206
Totals	<u>\$ 11,341,931</u>	<u>\$ 7,944,978</u>	<u>\$ 3,320,063</u>	<u>\$ 3,164,751</u>	<u>\$ 5,816,549</u>	<u>\$ 31,588,272</u>

Source: Whittier Utility Authority.

The Enterprise expects to spend another \$26,825,000 in capital projects over the next five fiscal years which is expected to be funded on a pay-as-you go basis. The table below shows the next five years of planned capital improvements.

**Table 6**  
**PROJECTED CAPITAL EXPENDITURES**  
**Fiscal Years 2019-20 through 2023-24**

<i>Project Name</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>	<i>Total</i>
West Distribution System Improvements Group No. 1	\$ 1,200,000	\$ 1,600,000	\$ -	\$ -	\$ -	\$ 2,800,000
West Distribution System Improvements Group No. 2	-	1,290,000	-	2,292,000	1,360,000	4,942,000
Central Distribution System Improvements Group No. 1	-	-	-	1,000,000	2,000,000	3,000,000
Murphy West and East Reservoir Replacement	3,190,000	-	-	-	-	3,190,000
Washington Pump Station Replacement	-	-	-	-	2,393,000	2,393,000
Greenleaf/Hoover Storage Replacement	-	300,000	6,000,000	-	-	6,300,000
Booster Station Repair	100,000	-	-	200,000	-	300,000
Cylindrical Steel Pipeline Replacement Program	-	1,000,000	-	2,000,000	-	3,000,000
Large Valve Replacement Program	-	200,000	-	200,000	-	400,000
Valve Replacement Program	100,000	100,000	100,000	100,000	100,000	500,000
Totals	<u>\$ 4,590,000</u>	<u>\$ 4,490,000</u>	<u>\$ 6,100,000</u>	<u>\$ 5,792,000</u>	<u>\$ 5,853,000</u>	<u>\$ 26,825,000</u>

Source: Whittier Utility Authority.

### Enterprise Customers

The Enterprise’s water service area is essentially fully developed. Customer growth in the Enterprise’s service area has remained relatively modest for more than a decade. With the exception of small infill areas and some potential densification, the number of metered accounts in the Enterprise’s water service area is not expected to increase significantly in the future due to few remaining undeveloped areas.

**Customer Accounts.** The table below contains a breakdown of the Enterprise’s metered accounts by customer classes for the past five fiscal years. Over 90% of the Enterprise’s metered accounts are for residential customers.

**Table 7**  
**WATER METERS BY CUSTOMER TYPE**  
**Fiscal Years 2014-15 through 2018-19**

<i>Customer Type</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>	<i>2018-19</i>
Single-Family Residential	8,638	8,706	8,740	8,748	8,747
Multi-Family Residential	1,766	1,770	1,769	1,771	1,773
Commercial/Industrial	946	843	847	874	876
Total Water Meters	<u>11,350</u>	<u>11,319</u>	<u>11,356</u>	<u>11,393</u>	<u>11,396</u>

Source: Whittier Utility Authority.

**Top 10 Enterprise Customers.** The ten largest water users for the 2018-19 fiscal year, accounted for approximately 418,544 hundred cubic feet (“CCF”) or approximately 14.27% of the total annual water consumption. The following table shows the top ten water users by consumption and by revenues for the 2018-19 fiscal year. While the top four users accounted for over 10% of the total annual water consumption none are anticipated to move from the City.

**Table 8**  
**TEN LARGEST USERS OF WATER BY CONSUMPTION**  
**Fiscal Year 2018-19**

	<i>Customer</i>	<i>Use</i>	<i>2018-19 Consumption (in CCF)</i>	<i>% of Total Consumption</i>	<i>2018-19 Revenues</i>	<i>% of Total Revenues</i>
1.	Presbyterian Hospital	Hospital	131,263	4.47%	\$ 261,213	4.46%
2.	City of Whittier Accounts	City	112,675	3.84	224,223	3.83
3.	Whittier College	School	48,050	1.64	95,620	1.63
4.	Whittier City Schools	School	40,856	1.39	81,303	1.39
5.	Nelles	Developer	26,537	0.90	52,809	0.90
6.	Whittier High Schools	School	16,629	0.57	33,092	0.56
7.	Radisson Hotel	Hotel	15,235	0.52	30,318	0.52
8.	Terramar Retail Centers	Retail	11,416	0.39	22,718	0.39
9.	Whittier Marketplace	Retail	8,177	0.28	16,272	0.28
10.	Arbor Ridge Apartments	Housing	<u>7,706</u>	<u>0.26</u>	<u>15,335</u>	<u>0.26</u>
	Total Top 10		418,544	14.27%	\$ 832,903	14.22%
	Total System		<u>2,933,601</u>	<u>100.00%</u>	<u>\$ 5,858,196</u>	<u>100.00%</u>

Source: Whittier Utility Authority.

### Water Rates

Prior to July 1 of each calendar year, the City Council (with the concurrence of the Board of Directors of the Authority) adopts a budget for the forthcoming fiscal year covering the anticipated revenues and expenses of the Enterprise. The water rates for the entire Enterprise are set by the City Council by resolution and are not subject to review by any state or local government agency.

The Authority commissioned a rate study in 2018 that evaluated the impact of increased costs of both capital and ongoing operations and maintenance on the revenue requirements of the Enterprise over the next 10 years. The rate study examined the cost of service implications from the projected revenue requirements and presented a rate plan for fiscal year 2019-20 through 2023-24 to generate revenue to meet the operating demands of the water systems including capital improvements.

In response to the findings in the rate study, the City Council adopted Resolution No. 2019-26 on May 14, 2019, which set the current water rates for the Enterprise for fiscal years 2019-20 through 2023-24. The Enterprise's water rates include a variable consumption commodity charge based on use and a fixed service charge component. The fixed charge is based on the size of the meter serving the customer. A flat service charge is also levied for private fire protection connections where applicable.

The following tables outline the new rate structure for all Enterprise users in place for each of the next five years beginning on August 1, 2019.

**Table 9  
RATES FOR WATER SERVICE**

**COMMODITY CHARGES (per CCF)**

	<i>Rates Effective Beginning,</i>				
	<i>8/1/2019</i>	<i>7/1/2020</i>	<i>7/1/2021</i>	<i>7/1/2022</i>	<i>7/1/2023</i>
<b>Potable Water Commodity Charge</b>					
Single Family Residential					
Tier 1: First 22 CCF <sup>(1)</sup>	\$ 2.08	\$ 2.19	\$ 2.30	\$ 2.41	\$ 2.54
Tier 2: Over 22 CCF <sup>(1)</sup>	3.41	3.58	3.76	3.95	4.15
Multi-Family Residential	2.12	2.23	2.34	2.46	2.58
Non-Residential	2.16	2.27	2.38	2.50	2.62
Landscape	2.50	2.62	2.75	2.89	3.03
<b>Reclaimed Water Commodity Charges</b>					
All Customers	\$ 1.76	\$ 1.84	\$ 1.93	\$ 2.03	\$ 2.13

**METER SERVICE CHARGE (by meter size)**

	<i>Rates Effective Beginning,</i>				
	<i>8/1/2019</i>	<i>7/1/2020</i>	<i>7/1/2021</i>	<i>7/1/2022</i>	<i>7/1/2023</i>
<b>Single Family Residential Meter Service Charge</b>					
3/4"	\$ 5.84	\$ 69.13	\$ 72.59	\$ 76.22	\$ 80.03
1"	108.48	113.90	119.61	125.59	131.87
1 1/2"	215.09	225.84	237.14	249.00	261.45
2"	343.02	360.17	378.18	397.09	416.94
3"	684.16	718.37	754.29	792.00	831.60
<b>Multi-Family Residential Meter Service Charge</b>					
3/4"	\$ 88.83	\$ 93.27	\$ 97.94	\$ 102.83	\$ 107.97
1"	146.80	154.14	161.84	169.94	178.43
1 1/2"	291.72	306.30	321.62	337.70	354.85
2"	465.62	488.90	513.35	539.01	565.96
3"	929.36	975.83	1,024.62	1,075.85	1,129.64
4"	1,451.07	1,523.62	1,599.80	1,679.80	1,763.78
6"	2,900.26	3,045.27	3,197.54	3,357.42	3,525.29
8"	4,639.29	4,871.26	5,114.82	5,370.56	5,639.09
<b>Non-Residential Meter Service Charge<sup>(2)</sup></b>					
3/4"	\$ 74.72	\$ 78.45	\$ 82.37	\$ 86.49	\$ 90.82
1"	123.27	129.44	135.91	142.71	149.84
1 1/2"	244.67	256.90	269.75	283.24	297.40
2"	390.34	409.86	430.35	451.87	474.47
3"	774.81	817.75	858.64	901.57	946.65
4"	1,215.83	1,276.62	1,340.46	1,407.48	1,477.85

6"	2,429.79	2,551.28	2,678.84	2,812.78	2,953.42
8"	3,886.53	4,080.86	4,284.90	4,499.14	4,724.10

**Landscape Meter Service Charge**

3/4"	\$ 93.48	\$ 98.15	\$ 103.06	\$ 108.21	\$ 113.62
1"	154.55	162.27	170.39	178.91	187.85
1 1/2"	307.22	322.58	338.71	355.64	373.42
2"	490.42	514.94	540.69	567.72	596.111
3"	978.96	1,027.91	1,079.30	1,133.27	1,189.93
4"	1,528.57	1,605.00	1,685.25	1,769.51	1,857.98
6"	3,055.26	3,208.02	3,368.42	3,536.84	3,713.86
8"	4,887.28	5,131.65	5,388.23	5,657.64	5,940.52

**Reclaimed Water Meter Service Charge**

3/4"	\$ 74.72	\$ 78.45	\$ 82.37	\$ 86.49	\$ 90.82
1"	123.27	129.44	135.91	142.71	149.84
1 1/2"	244.67	256.90	269.75	283.24	297.40
2"	390.34	409.86	430.35	451.87	474.47
3"	778.81	817.75	858.64	901.57	946.65
4"	1,215.83	1,276.62	1,340.46	1,407.48	1,477.85
6"	2,429.79	2,551.28	2,678.84	2,812.78	2,953.42
8"	3,886.53	4,080.86	4,284.90	4,499.14	4,724.10

**PRIVATE FIRE SERVICE CHARGE (by meter size)**

*Rates Effective Beginning,*

	<i>8/1/2019</i>	<i>7/1/2020</i>	<i>7/1/2021</i>	<i>7/1/2022</i>	<i>7/1/2023</i>
3/4"	\$ 0.80	\$ 0.82	\$ 0.85	\$ 0.87	\$ 0.90
1"	1.71	1.73	1.79	1.84	1.90
2"	10.61	10.73	11.11	11.44	11.79
3"	30.81	31.16	32.25	33.22	34.22
4"	65.66	66.41	68.73	70.79	72.92
6"	190.72	192.90	199.65	205.64	211.81
8"	406.42	411.08	425.47	438.23	451.38
10"	730.89	739.28	765.15	788.11	811.75
12"	1,180.00	1,194.13	1,235.93	1,273.00	1,311.19

(1) Tier 1 generally reflects efficient indoor and outdoor use, while Tier 2 reflects inefficient use.

(2) Includes commercial, institutional and industrial customers.

Source: City of Whittier Resolution No. 2019-26.

**Billing Collection and Procedures.** The Authority bills customers for water service every 60 days with payments due 15 days from the billing date. Delinquency reminder notices are mailed 30 days after billing date and shut-off notices are distributed 45 days after the billing date. The utility does not charge a late fee; however a re-connection fee is required following a shut-off. The average annual delinquency rate has historically been below 2%. Customers may pay their bills either by mail, in person at City Hall, or online at the City's website. The Authority bills customers separately for wastewater and solid waste removal services.

**SB 998.** The Authority is in compliance with SB 998, the Water Shutoff Protection Act, regarding policies relating to the discontinuation of water service, which became effective on February 1, 2020. The Authority does not believe that the restriction imposed on residential water service for delinquent payments under SB 998, and as adopted by the Authority, will have a material adverse effect on the Authority's ability to make the scheduled debt service payments on the Bonds.

In response to the recent novel coronavirus outbreak described under the caption “RISK FACTORS—COVID-19 Pandemic,” on April 2, 2020, Governor Newsom signed Executive Order N-42-20 (“Order N-42-20”), which, among other things, (i) suspends the authority of water systems, such as the Authority, to shut off water service for non-payment, (ii) orders that residential service to occupied residences that has been discontinued for nonpayment since March 4, 2020 be restored and (iii) provides that the State Water Resources Control Board (“SWRCB”) will identify best practices, guidelines, or both to be implemented during the COVID-19 emergency (a) to address non-payment or reduced payments, (b) to promote and to ensure continuity of service by water systems and wastewater systems, and (c) to provide measures such as the sharing of supplies, equipment and staffing to relieve water systems under financial distress. Order N-42-20 does not eliminate the obligation of water customers to pay for water service, prevent a water system, such as the Enterprise, from charging a customer for such service, or reduce the amount a customer already may owe to a water system, such as the Enterprise.

The Authority has reviewed Order N-42-20 and does not believe that such order will materially adversely affect the Authority’s projected operating results set forth in Table 13—PROJECTED SUMMARY OF GROSS REVENUES, MAINTENANCE AND OPERATION COSTS AND DEBT SERVICE COVERAGE or the Authority’s ability to make the scheduled debt service payments on the Bonds.

### **Financial Statements**

The Authority’s audited financial statements for the 2018-19 fiscal year, are attached hereto as APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019.

The following table presents the Enterprise’s Statement of Net Position prepared by the City for the five most recent fiscal years.

**Table 10**  
**WATER ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**

	<i>Fiscal Year Ending June 30,</i>				
	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$ 12,745,711	\$ 6,246,402	\$ 7,842,229	\$ 9,429,460	\$ 9,814,483
Accounts receivable, net	1,826,981	2,484,599	2,912,573	2,578,228	3,835,769
Interest receivable	19,753	14,913	24,233	32,175	60,951
Due from other governments	-	-	52,462	-	-
Inventory	345,495	286,284	267,971	394,178	395,253
Prepaid items	<u>360,000</u>	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Assets	15,297,940	9,407,198	11,099,458	12,434,041	14,106,456
Restricted:					
Cash and investments with fiscal agents	732,180	671,917	734,414	730,908	737,156
Cash and investments	16,890	34,501	39,954	214,959	438,217
Interest receivable	<u>660</u>	<u>276</u>	<u>693</u>	<u>1,155</u>	<u>-</u>
Total Restricted Assets	749,730	706,694	775,061	947,022	1,176,884
Capital Assets, Net:					
Capital Assets	<u>36,068,087</u>	<u>41,030,223</u>	<u>42,615,693</u>	<u>43,259,923</u>	<u>44,223,479</u>
Total Assets	54,115,757	51,144,115	54,490,212	56,640,986	59,506,819
<b>DEFERRED FLOWS OF RESOURCES</b>					
Deferred amount from pension plans, net	472,954	90,890	492,618	704,948	469,102
Deferred amount from OPEB	-	-	-	7,590	1,965
Deferred charge on refunding	<u>543,091</u>	<u>512,779</u>	<u>482,467</u>	<u>452,155</u>	<u>421,843</u>
Total Deferred Flows of Resources	1,016,045	603,669	975,085	1,164,693	892,910
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	2,638,049	531,445	1,280,340	1,677,851	1,716,386
Accrued liabilities	43,600	63,168	77,372	-	-
Accrued interest payable	65,518	64,118	62,363	60,380	58,313
Unearned revenue	1,200,000	-	-	-	-
Bonds payable	560,000	580,000	595,000	620,000	645,000
Compensated absences	<u>48,227</u>	<u>49,383</u>	<u>75,834</u>	<u>69,628</u>	<u>93,840</u>
Total Current Liabilities	4,555,394	1,288,114	2,127,112	2,427,859	2,513,539
Noncurrent Liabilities:					
Net OPEB liability	193,900	258,174	340,043	603,066	697,632
Net pension liability	1,915,010	2,180,668	2,770,254	3,251,442	4,312,439
Bonds payable	17,196,227	16,578,205	15,945,183	15,287,161	14,604,139
Compensated absences	<u>89,565</u>	<u>91,713</u>	<u>140,834</u>	<u>129,308</u>	<u>174,274</u>
Total Noncurrent Liabilities	<u>19,394,702</u>	<u>19,108,760</u>	<u>19,196,314</u>	<u>19,270,977</u>	<u>19,788,484</u>
Total Liabilities	23,950,096	20,396,874	21,323,426	21,698,836	22,302,023
<b>NET POSITION</b>					
Net investment in capital assets	21,044,040	24,543,935	26,809,924	28,068,670	29,711,496
Restricted	16,890	34,501	39,954	214,959	438,217
Unrestricted	<u>9,174,868</u>	<u>6,592,694</u>	<u>7,291,993</u>	<u>7,808,214</u>	<u>7,947,933</u>
Total Net Position	\$ 30,235,798	\$ 31,171,130	\$ 34,141,871	\$ 36,106,843	\$ 38,097,706

Source: City of Whittier FY 2014-15 – 2018-19 Comprehensive Annual Financial Reports.

The estimated unrestricted net assets of the Water Enterprise Fund as of June 30, 2019, of \$7,947,933 are comprised of the following:

Reserved for emergency capital repairs	\$ 2,000,000
Reserved for operating capital	631,000
Reserved for inventory	415,349
Reserved for lease payment	1,300,000
Reserved for encumbrance, continuing appropriation & other	2,570,288
Unrestricted, unreserved & undesignated	<u>1,031,296</u>
Total	<u>\$ 7,947,933</u>

Source: Whittier Utility Authority. Data is unaudited.

The following table presents the Enterprise's Statement of Revenues, Expenses and Changes in Net Position prepared by the City for the four most recent fiscal years and budgeted projections for the 2019-20 fiscal year. Audited totals are provided for the 2015-16 through 2018-19 fiscal years and budgeted projections for fiscal year 2019-20 that reflect expectations as of March, 2020. See "—Historical and Projected Operating Results and Debt Service Coverage" for a five-year historical comparison of revenues and expenses of the Water Fund and a projection of the revenues and expenses, including projected debt service coverage.

**Table 11**  
**WATER ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<i>Fiscal Year Ending June 30,</i>				
	<i>2016</i> <i>Audited</i>	<i>2017</i> <i>Audited</i>	<i>2018</i> <i>Audited</i>	<i>2019</i> <i>Audited</i>	<i>2020</i> <i>Projected</i>
<b>OPERATING REVENUES</b>					
Charges for services	<u>\$ 11,974,002</u>	<u>\$ 12,758,144</u>	<u>\$ 13,643,725</u>	<u>\$ 16,803,489</u>	\$ 16,732,312
Total Operating Revenues	11,974,002	12,758,144	13,643,725	16,803,489	16,732,312
<b>OPERATING EXPENSES</b>					
Water operation	9,965,451	8,612,958	9,296,124	12,678,679	12,720,354
Amortization	30,312	30,312	30,312	30,312	30,312
Depreciation	<u>952,020</u>	<u>1,470,636</u>	<u>1,533,514</u>	<u>1,693,341</u>	<u>1,700,000</u>
Total Operating Expenses	10,947,783	10,113,906	10,859,950	14,402,332	14,450,666
OPERATING INCOME	1,026,219	2,644,238	2,783,775	2,401,157	2,281,646
<b>NONOPERATING REVENUE</b>					
Intergovernmental	67,077	238,811	170,000	-	86,400
Investment income	112,842	261,621	174,074	606,620	187,360
Interest expense	(750,840)	(733,686)	(710,857)	(691,223)	(699,762)
Gain from disposal of capital assets	2,113	22,252	(772,872)	4,386	-
Rental income	477,921	557,505	562,132	822,079	670,555
Other revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,485</u>
Total Nonoperating Revenues	(90,887)	346,503	(577,523)	741,862	404,038
CHANGES IN NET POSITION	935,332	2,970,741	2,206,252	1,990,863	2,685,684
NET POSITION, Beginning of Year	\$ 30,235,798	\$ 31,171,130	\$ 33,900,591	\$ 36,106,843	\$ 38,097,706
NET POSITION, End of Year	\$ 31,171,130	\$ 34,141,871	\$ 36,106,843	\$ 38,097,706	\$ 40,783,390

Sources: City of Whittier FY 2015-16 – 2018-19 CAFRs; Whittier Utility Authority.



## Historical and Projected Operating Results and Debt Service Coverage

The following two tables provide a history and projection of the Gross Revenues and Maintenance and Operation Costs for ten fiscal years as prepared by the Enterprise.

The following table presents the Historical Summary of Gross Revenues, Maintenance and Operation Costs and debt service coverage for the five most recent fiscal years. Data for fiscal years 2014-15 through 2018-19 are based on figures from the Authority's audited financial statements.

**Table 12**  
**HISTORICAL SUMMARY OF GROSS REVENUES,**  
**MAINTENANCE AND OPERATION COSTS AND DEBT SERVICE COVERAGE<sup>(1)</sup>**  
**For Fiscal Years Ending June 30,**

	2015	2016	2017	2018	2019
Gross Revenues					
Water sales	\$ 10,768,965	\$ 11,071,260	\$ 12,744,455	\$ 13,436,803	\$ 13,634,040
Rental income <sup>(1)</sup>	415,608	477,921	557,505	562,132	822,079
Credit subsidy	120,716	60,683	181,920	121,627	122,148
Investment income	81,868	52,159	79,701	52,477	478,821
Production water rights <sup>(2)</sup>	855,000	840,000	-	-	2,202,390
Connection Fees	30,246	17,494	5,453	180,652	223,258
Miscellaneous	<u>124,299</u>	<u>114,439</u>	<u>249,299</u>	<u>196,270</u>	<u>753,837</u>
Total Gross Revenues	12,396,702	12,633,956	13,818,333	14,549,961	18,236,573
Maintenance and Operation Costs <sup>(3)</sup>					
Employee services	2,309,268	2,223,623	2,913,031	2,810,138	3,151,361
Other maintenance and operations	<u>4,396,574</u>	<u>4,656,543</u>	<u>4,956,722</u>	<u>5,343,198</u>	<u>5,395,784</u>
Total Maintenance and Operation Costs	6,705,842	6,880,166	7,869,753	8,153,336	8,547,145
Net Revenues Available for Debt Service	5,690,860	5,753,790	5,948,580	6,396,625	9,689,428
Senior Debt Service					
2009 Bonds	<u>669,587</u>	<u>668,437</u>	<u>667,137</u>	<u>665,687</u>	<u>666,887</u>
Total Senior Debt Service	669,587	668,437	667,137	665,687	666,887
Senior Debt Service Coverage	8.50x	8.61x	8.92x	9.61x	14.53x
Revenues Available after Senior Debt Service	5,021,273	5,085,353	5,281,443	5,730,938	9,022,541
Subordinate Debt Service					
2012 Bonds	<u>672,825</u>	<u>677,775</u>	<u>682,275</u>	<u>677,675</u>	<u>677,675</u>
Total Subordinate Debt Service	672,825	677,775	682,275	677,675	677,675
Subordinate Debt Service Coverage	7.46x	7.50x	7.74x	8.46x	13.31x
Total Aggregate Debt Service	1,342,412	1,346,212	1,349,412	1,343,362	1,344,562
Total Aggregate Debt Service Coverage	4.24x	4.27x	4.41x	4.76x	7.21x
Net Revenues After Aggregate Debt Service	4,348,448	4,407,578	4,599,168	5,053,263	8,344,866
Lease Payment to City	<u>934,629</u>	<u>934,629</u>	<u>934,629</u>	<u>934,629</u>	<u>934,629</u>
Remaining Net Revenues for capital improvements and fund balance	\$ 3,413,819	\$ 3,472,949	\$ 3,664,539	\$ 4,118,634	\$ 7,410,237

<sup>(1)</sup> Primarily rental income received from CBMWD for use of the main pump station.

<sup>(2)</sup> Production water rights vary from year to year depending on which wells the Enterprise is operating.

<sup>(3)</sup> Excludes depreciation and lease payments to the City.

Source: Whittier Utility Authority.

The following table presents the Projected Summary of Gross Revenues, Maintenance and Operation Costs and debt service coverage for the fiscal years 2019-20 through 2023-24. Projections for fiscal year 2019-20 are based on projected revenues for the Enterprise from the Authority's 2019-20 Budget, adopted June 25, 2019 with certain modifications based on updated information.

While the Authority believes that these assumptions are reasonable, the Authority cannot guarantee that its actual results will not differ. The projections in the following table do not include any capital projects planned by the Enterprise.

**Table 13**  
**PROJECTED SUMMARY OF GROSS REVENUES, MAINTENANCE AND**  
**OPERATION COSTS AND DEBT SERVICE COVERAGE<sup>(1)</sup>**  
**For Fiscal Years Ending June 30,**

	2020	2021	2022	2023	2024
Gross Revenues					
Water sales	\$ 15,137,730	\$ 15,888,732	\$ 16,683,169	\$ 17,517,327	\$ 18,393,194
Rental income <sup>(1)</sup>	670,555	531,000	542,242	553,731	565,473
Credit subsidy	121,627	—	—	—	—
Investment income	65,733	34,190	34,382	34,576	34,771
Production water rights <sup>(2)</sup>	1,028,634	—	—	—	—
Connection Fees	565,948	179,970	179,970	179,970	179,970
Miscellaneous	<u>245,885</u>	<u>107,000</u>	<u>107,000</u>	<u>107,000</u>	<u>107,000</u>
Total Gross Revenues	17,836,112	16,740,892	17,546,763	18,392,604	19,280,408
Maintenance and Operation Costs <sup>(3)</sup>					
Employee services	3,264,003	3,649,871	3,722,869	3,797,326	3,873,273
Other maintenance and operations	<u>5,684,252</u>	<u>5,371,779</u>	<u>5,479,214</u>	<u>5,588,799</u>	<u>5,700,574</u>
Total Maintenance and Operation Costs	8,948,255	9,021,650	9,202,083	9,386,125	9,573,847
Net Revenues Available for Debt Service	8,887,857	7,719,242	8,344,680	9,006,479	9,706,561
Debt Service					
2009 Bonds	667,687	—	—	—	—
2012 Bonds	677,075	680,875	678,875	881,275	680,575
2020 Bonds <sup>(4)</sup>	—	449,746	451,800	447,800	453,600
Total Debt Service <sup>(4)</sup>	<u>1,344,762</u>	<u>1,130,621</u>	<u>1,130,675</u>	<u>1,329,075</u>	<u>1,134,175</u>
Debt Service Coverage <sup>(4)</sup>	<u>6.61x</u>	<u>6.83x</u>	<u>7.38x</u>	<u>6.78x</u>	<u>8.56x</u>
Net Revenues Available after Debt Service	7,543,095	6,588,621	7,214,005	7,677,404	8,572,386
Less: Lease Payment to City	934,629	934,629	934,629	934,629	934,629
Less: Application for capital improvements	<u>4,590,000</u>	<u>4,490,000</u>	<u>6,100,000</u>	<u>5,792,000</u>	<u>5,853,000</u>
Amount to be applied to fund balance	\$ 2,018,466	\$ 1,163,992	\$ 179,376	\$ 950,775	\$ 1,784,757

(1) Primarily rental income received from CBMWD for use of the main pump station.

(2) Production water rights vary from year to year depending on which wells the Enterprise is operating. The Enterprise is unable to predict future production water rights revenues and does not budget for any production water rights revenues future fiscal years.

(3) Excludes depreciation and lease payments to the City.

(4) Preliminary, subject to change.

Source: Whittier Utility Authority.

The Executive Director of the Authority and the City's Director of Public Works have been authorized by resolution of the Authority Board to adjust water rates to insure that Enterprise revenues are sufficient to cover the total expenses of providing water, including depreciation, administration, debt service coverage levels, and required capital outlay. For additional information, see "—Water Rates."

## **Water Conservation and Supply Shortage Contingency Measures**

***Water Conservation Act of 2009 (SBx7-7).*** The Water Conservation Act of 2009 set forth in State Senate Bill x7-7 (“SBx7-7”), was signed by the Governor in 2009 and became effective in February 2010. Among other things, SBx7-7 seeks to achieve a State-wide 20% reduction in urban per capita water use by December 31, 2020. SBx7-7 requires each urban retail water supplier (such as the Authority) to develop urban water use targets to help meet the 20% reduction goal by 2020, with an interim 10% reduction goal by 2015. An urban water retail supplier that fails to meet its water use target by December 31, 2020 will be ineligible for a water grant or loan administered by the State until the supplier complies with the provisions of SBx7-7, unless the State Department of Water Resources determines that the supplier is eligible for a water grant or loan after the supplier’s submission of a schedule, financing plan, and budget for achieving the required per capita reductions.

Under SBx7-7, a retail water agency may comply with the reduction requirements as an individual or as part of a regional alliance. The Enterprise complies with SBx7-7 as in individual water agency. The Enterprise has a 2015 weighted target of 145 gallons per capita per day (“GPCD”) and a 2020 weighted target of 134 GPCD. The actual 2015 water use was reported to be 124 GPCD, well below the 2015 interim target and the 2020 target. The Enterprise has fully met the 20% mandated water reduction goal.

***California 2011-17 Drought; State Emergency Measures and Continuing Efforts.*** California has a highly variable climate, and often experiences very wet years followed by extremely dry ones. During the last thirty-five years, the State experienced drought periods between 1986 and 1992, between 2007 and 2009, and between 2011 and 2017.

The drought from December 2011 to March 2017 was considered one of the worst in the State’s recorded history, with 2012 through 2015 having the driest four-year statewide precipitation on record. Between 2014 and 2015, the Governor issued two emergency proclamations (on January 14, 2014 and April 25, 2014) and four executive orders (Executive Orders B-26-14, B-28-14, B-29-15 and B-36-15). During this period, the SWRCB adopted and implemented regulations for water use reductions and restrictions. Among such actions, the SWRCB adopted emergency regulations in 2015 to achieve a 25% reduction in the overall potable urban production statewide in accordance with directives set forth in Executive Order B- 29-15. It was reported that, overall, the State saved an average of more than 24% during the twelve months that the mandate was in place. In addition, the Sustainable Groundwater Management Act of 2014 was enacted. The State developed a five-year California Water Action Plan, with the stated goals of more reliable water supplies, the restoration of important species and habitat, and a more resilient, sustainably managed water resources system (water supply, water quality, flood protection, and environment). The Sustainable Groundwater Management Act of 2014 applies to unregulated areas. Since the Central Basin and the Main San Gabriel Basin are adjudicated, Sustainable Groundwater Management Act of 2014 is inapplicable to the Central Basin and the Main San Gabriel Basin.

On May 16, 2016, the Governor issued Executive Order B-37-16, which among other things, directed: (i) the State Department of Water Resources to work with the SWRCB to develop new water use targets as part of a permanent framework for urban water agencies, (ii) the permanent requirement of urban water suppliers to issue monthly reports of their water usage, conservation amounts and enforcement efforts, (iii) the prohibition of wasteful potable water practices (such as hosing of sidewalks, watering lawns in a manner that causes runoff); (iv) California Energy Commission’s certification of innovative water conservation and water loss detection and control technologies that also increase energy efficiency; and (v) consultation by the State Department of Water Resources with urban water suppliers, local governments, environmental groups and other partners to update requirements for water shortage contingency plans.

On April 7, 2017, Governor Brown issued Executive Order B-10- 17, rescinding the two emergency proclamations from January and April 2014 and the four drought related Executive Orders issued in 2014 and 2015. However, Executive Order B-37-16 was largely left in place.

Executive Order B-10-17 terminated the drought state of emergency for all counties in the State, except for the counties of Fresno, Kings, Tulare and Tuolumne with directives for those particular counties. The Enterprise is located in Los Angeles County.

During the 2018-19 winter season, several strong winter storms brought above-average levels of snowpack and precipitation to the State. In March 2019, the U.S. Drought Monitor (a map which is updated weekly through a joint effort of the National Drought Mitigation Center at the University of Nebraska-Lincoln, the National Oceanic and Atmospheric Administration, and the U.S. Department of Agriculture) reported that California was drought free for the first time since 2011.

The Authority cannot predict if and when California will experience another drought, and the actions that the State will have to take in response. The State is continuing to implement the directives of Executive Order B-37-16, dubbed “Making Water Conservation a California Way of Life.” The implementation of the Sustainable Groundwater Management Act of 2014 and the additional directives under Executive Order B-10-17 for the counties of Fresno, Kings, Tulare and Tuolumne also continue.

## **PFAS**

The City is monitoring and responding to developing legislation, laws and regulations regarding per- and poly-fluoroalkyl substances (“PFAS”). PFAS are substances widely used in consumer and industrial products such as fabrics, carpets, firefighting foams, food packaging and nonstick cookware and are known for their nonstick, waterproof and heat and stain resistant properties. Starting in the early 2000s, manufacturers began phasing out the use of PFAS chemicals, most of which are no longer manufactured in the United States. PFAS chemicals have been linked to cancer, liver and kidney damage, low birth weight and other health problems.

California’s current response level for the combined values of perfluorooctane sulfonate (“PFOS”) and perfluorooctanoic acid (“PFOA”) (the two most common synthetic organic chemicals in the group of compounds referred to as PFAS) is 70 parts per trillion (“ppt”), but the California Division of Drinking Water (“DDW”) is expected to lower the response level to 10 ppt in 2020. Response levels are thresholds at which the DDW recommends water systems remove a water source from use. If an agency does not remove the source, the DDW requires the agency notify its local governing body, notify all customers directly explaining the reasons for the continued use of the source, issue a press release, and conduct regular sampling.

In August 2019, the DDW lowered the notification levels for PFOS from 13 ppt to 6.5 ppt and for PFOA from 14 ppt to 5.1 ppt. Notification levels are non-regulatory, precautionary health-based measures for concentrations of chemicals in drinking water that warrant notification and further monitoring and assessment. On July 31, 2019, Governor Newsom signed Assembly Bill 756 into law which increased PFAS notification and now imposes additional reporting requirements on public water systems, including the Enterprise.

The City, on behalf of the Authority, is assessing whether PFOA and PFOS are present in its groundwater supplies and, if so, to what extent. The City’s groundwater is potentially impacted based on its geographic location. The City is working to seek testing of the City’s groundwater sources. To the extent that PFOA and PFOS contamination is found in the City’s water supplies, the Enterprise plans to blend uncontaminated water to dilute PFOA and PFOS concentrations below notification levels, though additional treatment may be needed. Due to uncertainty of future PFOA and PFOS-related impacts to the Enterprise’s water sources it is difficult to estimate the impact on the Enterprise’s finances as a result of the costs of PFOA and PFOS-related mitigation measures. This type of shift in local supply could prompt the Enterprise to revisit its current costs of service and consider, if needed, an increase to the water rates to cover the additional expense. Any water rate increases will be subject to Proposition 218 process, including City Council approval.

## Employee Pension Plans

The Enterprise pays an allocable portion of the City’s administrative expenses, including employee compensation and benefits from the Net Revenues. Under the Indenture, Net Revenues (which are pledged to the payment of the Bonds) is defined as Gross Revenues for a Fiscal Year, less Maintenance and Operation Costs for a Fiscal Year. Maintenance and Operation Costs include, among other things, administrative costs of the Authority attributable to the operation and maintenance of the Enterprise, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the Enterprise and insurance premiums. The table below shows the City’s contribution to the CalPERS plans (discussed below), and the amounts allocated to the Enterprise for the years shown:

**Table 14**  
**CITY OF WHITTIER**  
**CONTRIBUTION TO CALPERS PLANS AND ALLOCATION TO ENTERPRISE**

<i>Fiscal Year Ended June 30,</i>	<i>City Contribution To CalPERS</i>	<i>Amount Allocated To Enterprise</i>	<i>Allocation %</i>
2015	\$ 6,718,935	\$137,864	2.05%
2016	7,328,788	154,401	2.11
2017	6,302,389	156,247	2.48
2018	9,474,460	236,183	2.49
2019	10,302,090	488,725	4.74

Source: City of Whittier Finance Department.

**General Information about the City’s CalPERS Plans.** All qualified permanent and probationary employees that operate the Enterprise are eligible to participate in the City’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (“CalPERS”), which acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

Accounting and financial reporting by state and local government employers for defined benefit pension plans is governed by Governmental Accounting Standards Board (“GASB”) Statement No. 68 (“GASB 68”). GASB 68 governs the accounting treatment of defined benefit pension plans, including how expenses and liabilities are calculated and reported by state and local government employers in their financial statements. 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 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

**Employees Covered.** At June 30, 2019 (valuation date), the following employees were covered by the benefit terms for each Plan.

**Table 15  
CITY OF WHITTIER  
COVERED EMPLOYEES**

	<i>Miscellaneous Plan</i>
Inactive employee or beneficiaries currently receiving benefits	404
Inactive employees entitled to but not yet receiving benefits	256
Active employees	<u>250</u>
Total	<u>910</u>

Source: City of Whittier FY 2018-19 CAFR.

**Contributions.** Section 20814(c) of the California Public Employees’ Retirement Law (“PERL”) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

**Net Pension Liability.** The City’s net pension liability is measured as the total pension liability, less the plan’s fiduciary net position. 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. As of June 30, 2019, the City reported a net pension liability for its Miscellaneous plan of \$48,569,443, reflecting the difference between the total pension liability of \$196,140,017 and net assets of \$147,570,574. The Enterprise’s portion of the City’s total net pension liability as of June 30, 2019, is approximately \$4.3 million.

The table below presents the proportionate share of the net pension liability of the City’s Miscellaneous plan allocated to the Authority, calculated using the discount rate applicable to Fiscal Year 2019 (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 2019 rate:

**CITY OF WHITTIER  
SENSITIVITY OF THE CALPERS MISCELLANEOUS PENSION PLAN NET PENSION  
LIABILITY ALLOCATED TO WHITTIER UTILITY AUTHORITY<sup>(1)</sup>  
TO CHANGES IN THE DISCOUNT RATE**

	<i>Discount Rate – 1% (6.15%)</i>	<i>Applicable Discount Rate (7.15%)</i>	<i>Discount Rate + 1% (8.15%)</i>
Plan’s Net Pension Liability/(Asset)	\$10,816,027	\$7,144,959	\$8,561,392

<sup>(1)</sup> Includes liability allocated to the Enterprise and the Authority’s solid waste and wastewater enterprises.  
Source: Whittier Utility Authority FY 2018-19 CAFR.

For more information, including actuarial assumptions, a discussion of the discount rate used, and schedules of funding progress for the Authority’s various pension plans, see APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019—Notes to Basic Financial Statements—NOTE 7.

**Recent Actions Taken by CalPERS.** At its April 17, 2013, meeting, CalPERS’ Board of Administration (the “Board of Administration”) approved a recommendation to change the CalPERS amortization and smoothing policies. Prior to this change, CalPERS employed an amortization and smoothing policy that spread investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period. As a result, CalPERS now employs an amortization and smoothing policy that will pay for all gains and losses over a 20-year period with a five-year ramp-up, and five-year ramp-down, period. The new amortization and smoothing policy was used for the first time in the June 30, 2013 actuarial valuations in setting employer contribution rates for fiscal year 2015-16.

On February 18, 2014, the Board of Administration approved new demographic actuarial assumptions based on a 2013 study of recent experience. The largest impact, applying to all benefit groups, is a new 20-year mortality projection reflecting longer life expectancies and that longevity will continue to increase. Because retirement benefits will be paid out for more years, the cost of those benefits will increase as a result. The Board of Administration also assumed earlier retirements for Police 3%@50, Fire 3%@55, and Miscellaneous 2.7%@55 and 3%@60, which will increase costs for those groups. As a result of these changes, rates increased beginning in fiscal year 2016-17 (based on the June 30, 2014 valuation) with full impact in fiscal year 2020-21.

On November 18, 2015, the Board of Administration adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund’s unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. The policy establishes a mechanism to reduce the discount rate by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the existing discount rate, currently 7.5%, by at least four percentage points. CalPERS staff modeling anticipates the policy will result in a lowering of the discount rate to 6.5% in about 21 years, improve funding levels gradually over time and cut risk in the pension system by lowering the volatility of investment returns. More information about the funding risk mitigation policy can be accessed through CalPERS’ web site at the following website address: <https://www.calpers.ca.gov/page/newsroom/calpers-news/2015/adopts-funding-risk-mitigation-policy>. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the Authority or the Underwriter and is not incorporated in this Official Statement by reference.*

On December 21, 2016, the Board of Administration voted to lower its discount rate from the current 7.5% to 7.0% over the next three years according to the following schedule.

<i>Fiscal Year</i>	<i>Discount Rate</i>
2017-18	7.375%
2018-19	7.250
2019-20	7.000

For public agencies like the City, the new discount rate took effect on July 1, 2019. As the discount rate is decreased 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, under the Public Employees’ Pension Reform Act will also see their contribution rates rise. The three-year reduction of the discount rate will result in average employer rate increases of about 1% to 3% of normal cost as a percent of payroll for most miscellaneous retirement plans. Additionally, many CalPERS employers will see a 30 to

40% increase in their current unfunded accrued liability payments. These payments are made to amortize unfunded liabilities over 20 years to bring the pension fund to a fully funded status over the long-term.

***PERS Amortization Period Reform.*** On February 13, 2018 the CalPERS Board voted to shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years for new pension liabilities. The new 20-year amortization period begins with new gains or losses accrued starting with the June 30, 2019 actuarial valuations. The first payments on the new 20-year amortization schedule will take place in 2021.

A shorter amortization period will increase annual Unfunded Accrued Liability (“UAL”) contributions for cities that participate in CalPERS so long as CalPERS remains underfunded. The shortened amortization period will also lead to reductions of periods of negative amortization of the UAL, interest cost savings, and faster recoveries of funded status after market downturns.

Cities that participate in CalPERS will also see additional volatility in their future UAL contributions due to market performance as gains or losses will be amortized faster under the new amortization period.

The Authority cannot currently estimate the impact the shorter amortization period will have on its required contributions to CalPERS.

***Expected COVID-19 Impacts on CalPERS Contributions.*** The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (“Coronavirus”), which was first detected in China and has spread to other countries, including the United States, was declared a pandemic by the World Health Organization, a national emergency by the President of the United States and a state of emergency by the Governor of the State. There has been tremendous volatility in the financial markets in the United States and globally, resulting in significant declines and speculation of a national and global recession. The Authority expects that the impacts of Coronavirus will cause its required CalPERS contributions to increase in future years.

*Portions of the above information 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](http://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 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.*

## **Other Post-Employment Benefits**

***Plan Description.*** The City’s defined benefit healthcare plan, City of Whittier Retiree Healthcare Plan (the “Plan”), provides benefits for all permanent full-time general and safety employees of the City. The Plan is a single- employer defined benefit healthcare plan administered by the City. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its non-represented employees, and the unions representing City employees. The Plan does not issue a financial report.



The Plan provides healthcare benefits (medical and dental) to eligible retirees and their dependents through the City's group healthcare insurance plans, which covers both active and retired participants. The benefit terms provide for payment up to \$415 of medical and dental premiums per month until age 65.

Membership of the OPEB Plan as of June 30, 2019 consisted of 54 inactive employees or beneficiaries currently receiving benefits and 397 active employees.

The Enterprise pays an allocable portion of the City's OPEB expenses from the Net Revenues.

**Annual OPEB Cost and Net OPEB Obligation.** The following table shows the amount contributed to the plan, and changes in the City's net OPEB obligation:

**Table 16**  
**CITY OF WHITTIER**  
**OPEB LIABILITY**  
**As of June 30, 2019**  
**(Dollars in Thousands)**

Service cost		\$	575,770
Interest on OPEB Liability			387,491
Changes in Assumptions			(220,974)
Benefits payments			(640,000)
Net Change			102,287
Balance at June 30, 2018			10,568,000
Balance at June 30, 2019			\$ 10,670,287

Source: City of Whittier FY 2018-19 CAFR.

The following table presents the Authority's proportionate share of the net liability of the post-employment benefits plan, calculated using the discount rate applicable to Fiscal Year 2019 (3.87%), as well as what the net post-employment benefit liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the Fiscal Year 2019 rate:

**CITY OF WHITTIER**  
**SENSITIVITY OF THE OPEB PLAN NET LIABILITY ALLOCATED TO WHITTIER UTILITY**  
**AUTHORITY TO CHANGES IN THE DISCOUNT RATE**

	<i>Discount Rate – 1%</i> <i>(2.87%)</i>	<i>Applicable Discount</i> <i>Rate (3.87%)</i>	<i>Discount Rate + 1%</i> <i>(4.87%)</i>
Plan's Net Pension Liability/(Asset)	\$1,210,810	\$1,126,383	\$1,048,456

<sup>(1)</sup> Includes liability allocated to the Enterprise and the Authority's solid waste and wastewater enterprises.  
Source: Whittier Utility Authority FY 2018-19 CAFR.

For additional information about the City's Plan, see APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019, Note 6.

**INVESTMENT OF CITY FUNDS**

Revenues collected by the Authority will be held and invested by the Authority in accordance with the provisions of the Indenture.

Funds held by the Authority, including Enterprise moneys, are invested in accordance with the City's Statement of Investment Policy (the "Investment Policy") prepared by the Finance Director as authorized by Section 53601 of the Government Code of California. The Investment Policy is submitted to the City Council annually. The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to insure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years. The City has never invested in derivatives or reverse repurchase agreements and such investments and instruments are not allowed by City policy.

For more information about the City's investment policy, see APPENDIX D—CITY INVESTMENT POLICY.

### **CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES**

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. In the past, the voters have exercised this power from time to time, including through the adoption of Propositions 13 and 218.

From time to time other State and local initiative measures could be adopted, affecting the ability of the Authority to increase revenues and to increase appropriations.

#### **Article XIII A**

On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the California Constitution ("Article XIII A"). Article XIII A limits the maximum *ad valorem* tax on real property to 1% of full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by voters prior to July 1, 1978 and (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness. Article XIII A defines full cash value to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the full cash value based in the event of declining property values caused by damage, destruction, or other factors and to provide that there would be no increase in the full cash value base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

#### **Article XIII B**

Article XIII B of the California State Constitution limits the annual appropriations of the State and of any city, county, school district, authority 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 appropriations limit is the 1978-79 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 (i) the financial responsibility for a service is transferred to another public entity or to a private entity, (ii) the financial sources for the provision of services is transferred from taxes to other revenues, or (iii) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations subject to Article XIII B generally include the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions and refunds of taxes. "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 such proceeds exceed the cost of 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 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 existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the voters and payments required to comply with court or federal mandates which without discretion require an expenditure for additional services or which unavoidably make the providing of existing services more costly.

### **Proposition 218**

**General.** On November 5, 1996, California voters approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the State Constitution, which affect the ability of local governments to levy and collect both existing and future taxes, assessments, and property-related fees and charges. Proposition 218, which generally became effective on November 6, 1996, changed, among other things, the procedure for the imposition of any new or increased property-related "fee" or "charge," which is defined as "any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service" (and referred to in this section as a "property-related fee or charge").

Specifically, under Article XIII D, before a municipality may impose or increase any property-related fee or charge, the entity must give written notice to the record owner of each parcel of land affected by that fee or charge. The municipality must then hold a hearing upon the proposed imposition or increase at least 45 days after the written notice is mailed, and, if a majority of the property owners of the identified parcels present written protests against the proposal, the municipality may not impose or increase the property-related fee or charge.

Further, under Article XIII D, revenues derived from a property-related fee or charge may not exceed the funds required to provide the "property-related service" and the entity may not use such fee or charge for any purpose other than that for which it imposed the fee or charge. The amount of a property-related fee or charge may not exceed the proportional cost of the service attributable to the parcel, and no property-related fee or charge may be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question.

In addition, Article XIII C provides that "the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives."

**Judicial Interpretation of Proposition 218.** After Proposition 218 was enacted in 1996, appellate court cases and an Attorney General opinion initially indicated that fees and charges levied for water and wastewater services would not be considered property-related fees and charges, and thus not subject to the requirements of Article XIII D regarding notice, hearing and protests in connection with any increase in the fees and charges being imposed. However, three recent cases have held that certain types of water and wastewater charges could be subject to the requirements of Proposition 218 under certain circumstances.

In *Richmond v. Shasta Community Services District* (9 Cal. Rptr. 3rd 121), the California Supreme Court addressed the applicability of the notice, hearing and protest provisions of Article XIII D to certain

charges related to water service. In *Richmond*, the Court held that connection charges are not subject to Proposition 218. The Court also indicated in dictum that a fee for ongoing water service through an existing connection could, under certain circumstances, constitute a property-related fee and charge, with the result that a local government imposing such a fee and charge must comply with the notice, hearing and protest requirements of Article XIII D.

In *Howard Jarvis Taxpayers Association v. City of Fresno* (March 23, 2005), the California Court of Appeal, Fifth District, concluded that water, sewer and trash fees are property-related fees subject to Proposition 218 and a municipality must comply with Article XIII D before imposing or increasing such fees. The California Supreme Court denied the City of Fresno's petition for review of the Court of Appeal's decision on June 15, 2005.

In July 2006 the California Supreme Court, in *Bighorn-Desert View Water Agency v. Verjil* (39 Cal. 4th 205), addressed the validity of a local voter initiative measure that would have (a) reduced a water agency's rates for water consumption (and other water charges), and (b) required the water agency to obtain voter approval before increasing any existing water rate, fee, or charge, or imposing any new water rate, fee, or charge. The court adopted the position indicated by its statement in *Richmond* that a public water agency's charges for ongoing water delivery are "fees and charges" within the meaning of Article XIII D, and went on to hold that charges for ongoing water delivery are also "fees" within the meaning of Article XIII C's mandate that the initiative power of the electorate cannot be prohibited or limited in matters of reducing or repealing any local tax, assessment, fee or charge. Therefore, the court held, Article XIII C authorizes local voters to adopt an initiative measure that would reduce or repeal a public agency's water rates and other water charges. (However, the court ultimately ruled in favor of the water agency and held that the entire initiative measure was invalid on the grounds that the second part of the initiative measure, which would have subjected future water rate increases to prior voter approval, was not supported by Article XIII C and was therefore invalid.)

The court in *Bighorn* specifically noted that it was not holding that the initiative power is free of all limitations; the court stated that it was not determining whether the electorate's initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay for operating expenses, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions, and enlargements, pay the interest on any bonded debt, and provide a sinking or other fund for the payment of the principal of such debt as it may become due.

**Current Practice Regarding Rates and Charges.** The Authority's practice has been to provide public notice of proposed water rate increases through means that include, among others, holding informational presentations at community group meetings, mailings to residential and commercial customers of public hearings on rate increases, and press releases and media campaigns regarding rate increases, followed by public hearings conducted by the Authority Board. The most recent rate increase was enacted by the Authority in strict compliance with the procedures mandated by Proposition 218 and *Bighorn*.

**Conclusion.** It is not possible to predict how courts will further interpret Article XIII C and Article XIII D in future judicial decisions, and what, if any, further implementing legislation will be enacted. Under the *Bighorn* case, local voters could adopt an initiative measure that reduces or repeals the Authority's rates and charges, though it is not clear whether (and California courts have not decided whether) any such reduction or repeal by initiative would be enforceable in a situation in which such rates and charges are pledged to the repayment of bonds or other indebtedness. There can be no assurance that the courts will not further interpret, or the voters will not amend, Article XIII C and Article XIII D to limit the ability of local agencies to impose, levy, charge and collect increased fees and charges for water, or to call into question previously adopted water rate increases.

## **Effect of Proposition 218 on the Authority; Possible Limitations on Enforcement Remedies**

The general financial condition of the Authority may be affected by provisions of Article XIII C and Article XIII D. In particular, provisions of Article XIII C (i) require taxes for general governmental purposes to be approved by a majority vote and taxes for specific purposes, even if deposited into the General Fund, to be approved by two-thirds vote, (ii) require any general purpose tax which the Authority imposed, extended or increased, without voter approval, after December 31, 1994, to be approved by majority vote on November 5, 1998 and (iii) provide that all taxes, assessments, fees and charges are subject to reduction or repeal at any time through the initiative process, subject to overriding constitutional principles relating to the impairment of contracts. Provisions of Article XIII D that affect the ability of the Authority to fund certain services or programs that it may be required or choose to fund include (i) adding notice, hearing, protest and, in some cases, voter approval requirements to impose, increase or extend certain assessments, fees and charges and (ii) adding stricter requirements for finding individualized benefits associated with such levies.

The ability of the Authority to comply with its covenants under the Indenture and to generate Net Revenues sufficient to pay the principal of and interest on the Bonds may be adversely affected by actions and events outside of the control of the Authority and may be adversely affected by actions taken (or not taken) under Article XIII C or Article XIII D by voters, property owners, taxpayers or payers of assessments, fees and charges. Furthermore, any remedies 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 to the possible limitations on the ability of the Authority to comply with its covenants under the Indenture, the rights and obligations under the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against cities in the State of California.

Based on the foregoing, in the event the Authority fails to comply with its covenants under the Indenture, including its covenants to generate sufficient Net Revenues, as a consequence of the application of Article XIII C and Article XIII D, or to pay principal of or interest on the Bonds, there can be no assurance that available remedies will be adequate to fully protect the interests of the holders of the Bonds.

### **Proposition 26**

On November 2, 2010, State voters approved Proposition 26 which amended certain sections of Article XIII C. The proposition attempts to define "tax" as used within Article XIII C as "any levy, charge, or exaction of any kind imposed by a local government, *except* the following: (1) 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; (2) 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; (3) 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; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) 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; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D." 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 foregoing discussion of Proposition 218 and Proposition 26 should not be considered an exhaustive or authoritative treatment of the provisions of such propositions or the possible effects of Proposition 218 and Proposition 26. Interim rulings, final decisions, legislative proposals and legislative enactments affecting Proposition 218 and Proposition 26 may impact the Authority's ability to make debt service payments on the Bonds. The Authority does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity related to these issues.

### **Future Initiatives**

Articles XIIC, XIID and Proposition 26 were adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiatives could be proposed and adopted affecting Net Revenues or the Authority's ability to increase its rates for water service. The California constitution, Article XIID, Section 5(c), specifically recognizes that any assessment existing on the effective date (of Article XIID) shall be exempt from the procedures and approval process set forth in Article 4, to wit: "... (c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States."

### **RISK FACTORS RELATING TO THE BONDS**

*The following section describes certain special considerations and risk factors affecting the risk of nonpayment or the security for the Bonds. The following discussion is not meant to be an exhaustive or definitive description of the risks associated with a purchase of the Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following special factors regarding the Bonds, together with all other information in this Official Statement, in order to make an informed investment decision with respect to the Bonds. There can be no assurance that other risk factors are not or will not become material in the future.*

### **General**

The payment of principal of and interest on the Bonds is secured solely by a pledge of Net Revenues and from certain funds provided for in the Indenture. The realization of the Net Revenues is subject to, among other things, the capabilities of management of the Authority, the ability of the Authority to provide water services to its users, and the ability of the Authority to establish and maintain water fees and charges sufficient to provide the required debt service coverage as well as pay for Maintenance and Operation Costs.

Among other matters, drought, general and local economic conditions and changes in law and government regulations (including initiatives and moratoriums on growth) could adversely affect the amount of Net Revenues realized by the Authority.

### **Limited Obligations**

The Bonds are limited obligations of the Authority and are not secured by a legal or equitable pledge or charge or lien upon any property of the Authority or any of its income or receipts, except the Net Revenues. The obligation of the Authority to pay debt service on the Bonds from Net Revenues does not constitute an obligation of the Authority to levy or pledge any form of taxation or for which the Authority has levied or pledged any form of taxation.

The Authority is obligated under the Indenture to pay debt service on the Bonds solely from Net Revenues and from certain funds provided for in the Indenture. There is no assurance that the Authority can succeed in operating the Enterprise such that the Net Revenues in the future will be sufficient for that purpose.

## Natural Disasters

The occurrence of any natural disaster in or near the boundaries of the City, including, without limitation, fire, earthquake, landslide, high winds, drought or flood, could have an adverse material impact on the Authority's operation of the Enterprise.

***Seismic Considerations.*** The Enterprise, like much of California, is subject to seismic activity that could result in interference with the delivery of water from the Authority's operation of the Enterprise. As a result, no assurance can be given that a future seismic event will not materially adversely affect the operation of the Enterprise. The Authority does not, and does not expect to, maintain earthquake insurance on the Enterprise.

***Whittier Narrows Dam.*** The Army Corps of Engineers is beginning a \$500-million repair project for the 62-year-old Whittier Narrows Dam (the "Dam"). The Dam, a 56-foot tall earthen dam, is located along the Rio Hondo and the San Gabriel Rivers and collects runoff from the uncontrolled drainage areas upstream along with releases into the San Gabriel River from the Santa Fe Dam. The reservoir portion of the Dam, with a capacity of 67,060 acre-feet, is surrounded by the cities of South El Monte (to the north), Industry (to the east), Pico Rivera (to the south), and Montebello (to the south).

The Army Corps of Engineers has determined that the Dam no longer meets federal tolerable-risk guidelines and could fail under the 1 in 10,000 year storm event. If such a storm were to occur, water could flow over the rest of the Dam or seepage could erode the sandy soil underneath, causing a catastrophic failure that would significantly affect numerous cities between the dam and the Pacific Ocean. The City's residents are generally outside of the area affected by the flood, but the City's wells and PP2 are all within the affected area. In response to these potential dangers, the Army Corps of Engineers has classified the Dam's repairs as the highest priority of any of the 13 "high risk" dams in the country. The construction of the repairs to the Dam is scheduled to start in 2021 and the repairs are expected to be completed in 2025.

An extreme storm that results in a flood could significantly damage the Enterprise and could result in a reduction of the Net Revenues. Neither the City nor the Authority can predict when flood or extreme storm events will occur, when or whether the repairs described above will be completed, whether other mitigation measures will be implemented, or whether the Federal Emergency Management Agency or other funds will be available to the City in the event of a failure of the Dam. Significant flooding in the City as a result of the failure of the Dam could have materially adverse consequences for the Authority's finances and operations, including the ability to make the payments due on the Bonds. The City has interconnections with California Domestic Water Company and Suburban Water Systems which enable water from other agencies to be brought into the Enterprise's distribution system via portable pump if the Enterprise is damaged by a flood.

Although insurance is maintained for the Enterprise, 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, as described under the caption "THE ENTERPRISE—Enterprise Insurance," portions of the Enterprise, including [subsurface pipelines], are not covered by property casualty insurance. Damage to such portions of the Enterprise as a result of natural disasters would result in uninsured losses.

## Environmental Regulation

The kind and degree of water treatment effected through the Enterprise is regulated, to a large extent, by the federal government and the State of California. Treatment standards set forth in federal and state law control the operations of the Enterprise and mandate the use of water treatment technology. In the event that the federal government, acting through the Environmental Protection Agency, or the State of California, acting through the Department of Health Services, or additional federal or state agencies, should impose stricter water quality standards upon the Enterprise, the Authority's expenses could increase accordingly and rates and charges would have to be increased to offset those expenses. It is not possible to predict the direction federal

or state regulation will take with respect to water quality standards, although it is likely that, over time, both will impose more stringent standards with attendant higher costs. All required permits are in place and none are expiring.

### **Risk of Contamination**

Except as discussed under “THE ENTERPRISE—PFAS,” the water sourced from Enterprise’s wells is currently not known to be contaminated. There can be no assurance that such sources will not experience contamination in the future or that such contamination will not have a material adverse effect on the Authority’s ability to pay debt service on the Bonds.

### **Maintenance and Operation Costs**

There can be no assurance that the Authority’s expenses for the Enterprise will be consistent with the projections in this Official Statement. Changes in technology, increases in energy costs, regulatory compliance costs changes in quality standards, loss of large customers, increased or decreased development, increases in the cost of operation (including increased pension expenses as a result of CalPERS investment losses resulting from the COVID-19 pandemic or otherwise) or other expenses could require increases in rates or charges in order to comply with the Authority’s rate covenant in the Indenture.

### **Demand and Usage; Drought**

There can be no assurance that the local demand for services provided by the Enterprise will continue according to historical levels. Demand for water services could be reduced as a result of hydrological conditions, an economic downturn (including as a result of the COVID-19 pandemic) or other factors. In addition, drought conditions and voluntary or mandatory water conservation measures could decrease usage of the services of the Enterprise.

Reduction in the level of demand or usage could require an increase in rates or charges in order to produce Net Revenues sufficient to comply with the Authority’s rate covenants. Such rate increases could increase the likelihood of nonpayment. See “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES—Effect of Proposition 218 on the Authority; Possible Limitations on Enforcement Remedies” above.

### **Impacts of COVID-19 Pandemic**

The spread of the novel strain of coronavirus and the disease it causes (now known as “COVID-19”) is having significant negative impacts throughout the world, including in Southern California. The World Health Organization has declared the COVID-19 outbreak to be a pandemic and states of emergency have been declared by the United States, the State, and numerous counties throughout the State, including the County. The purpose behind these declarations is to coordinate and formalize emergency actions and across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus. To date there have been significant numbers of confirmed cases of COVID-19 in the State, including thousands in the County, and health officials are expecting the number of confirmed cases to grow. The outbreak has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools. The United States is restricting certain non-United States citizens and permanent residents from entering the country. In addition, financial markets in the United States and globally have been volatile, with significant declines attributed to coronavirus concerns.

Potential impacts to the Authority 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 Authority’s service area, cancellations of public events, disruption of the regional and local economy with corresponding decreases in



Enterprise revenues, and temporary reductions in Gross Revenues due to late payments from Enterprise customers.

The United States, the State, the County and the City have each declared a “state of emergency” or equivalent. Additionally, the State, the County and the City have issued “stay at home” or “shelter in place” orders that severely restrict the movement of residents and generally mandate that residents remain in their home and, in effect, prohibit non-essential workers from working outside their homes. Due to these orders, the City has closed its offices except to employees, has put staff on alternating schedules to allow for more physical separation and has encouraged staff members to work from home when possible. While many services the City provides have been reduced, essential services, like those provided by the Enterprise, have continued to operate without interruption.

Additionally, the COVID-19 pandemic and resulting restrictions have resulted in volatility in the global and national stock markets, closure of businesses, worker layoffs and furloughs and a surge in unemployment claims. As a result, the COVID-19 pandemic may result in a decreased ability of customers of the Enterprise to pay bills for services provided by the Enterprise. Although the Authority had previously discontinued water shut-offs for non-payment, on April 2, 2020, Governor Gavin Newsom signed Executive Order N-42-20 which universally enacts an immediate moratorium on such shutoffs.

The COVID-19 outbreak is ongoing and the ultimate geographic spread of the virus, the duration and the severity of the outbreak and economic impact it has is currently uncertain. The Authority continues to analyze the effects the COVID-19 pandemic will have on the Enterprise. The Authority believes that it will have the ability to delay the implementation of certain capital improvement plans, if necessary, in order to meet the cash flow needs of the Enterprise, including payment of debt service on the 2020 Bonds.

#### **Limited Recourse on Default**

Failure by the Authority to make debt service payments on the Bonds constitutes an event of default under the Indenture and the Trustee is permitted to pursue remedies at law or in equity to enforce the Authority’s obligation to make such payments. Although the Trustee has the right to accelerate the total unpaid principal amount of the debt service payments on the Bonds, there is no assurance that the Authority would have sufficient funds to pay the accelerated amounts. See Appendix A.

#### **Limitations on Remedies**

The ability of the Authority to comply with its covenants under the Indenture and to generate Net Revenues sufficient to pay the principal of and interest on the Bonds, may be adversely affected by actions and events outside of the control of the Authority 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. Furthermore, the remedies 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. Remedies may also be limited because the Enterprise serves an essential public purpose.

## **Loss of Tax Exemption**

In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, the Authority has covenanted in the Indenture to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (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 under Section 103 of the Code. Interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of such 2020 Bonds as a result of acts or omissions of the Authority in violation of this or other covenants in the Indenture applicable to the Bonds. 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 of the Indenture. See “TAX MATTERS.”

## **Rate Covenant Not a Guarantee**

The Bonds are payable from Net Revenues of the Enterprise. See “SECURITY FOR THE 2020 BONDS.” The Authority’s ability to pay debt service on the Bonds depends on its ability to generate Net Revenues at the levels required by the Indenture. Although the Authority has covenanted in the Indenture to impose rates and charges as more particularly described under the caption “SECURITY FOR THE BONDS—Rate Covenant,” and although the Authority expects that sufficient Gross 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 Bonds. Among other matters, the availability of and demand for water and changes in law and government regulations could adversely affect the amount of Gross Revenues realized by the Authority.

## **Initiatives**

In recent years several initiative measures have been proposed or adopted which affect the ability of local governments to increase taxes and rates. There is no assurance that the electorate or the State legislature will not at some future time approve additional limitations which could affect the ability of the Authority to implement rate increases which could reduce Net Revenues and adversely affect the security for the Bonds. See CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES—Proposition 218.”

## **Bankruptcy**

The rights and remedies provided in the Indenture may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California. The various opinions of counsel to be delivered with respect to the Bonds and the Indenture, including the opinion of Bond Counsel, will be similarly qualified. If the Authority were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of the Bonds and the Authority could be prohibited from taking any steps to enforce their rights under the Indenture.

## **Rate Process**

The passage of Proposition 218 by the California electorate potentially affects the Authority’s ability to impose future rate increases, and no assurance can be given that future rate increases will not encounter majority protest opposition under Proposition 218. See “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND FEES—Proposition 218” and “—Effect of Proposition 218 and of Possible General Limitations on Enforcement Remedies.”

## **Insurance**

The Indenture obligates the Authority to obtain and keep in force various forms of insurance or self-insurance, subject to deductibles, for repair or replacement of a portion of the Enterprise in the event of damage or destruction to such portion of the Enterprise. The Authority expects to self-insure a portion of the risk of loss as permitted by the Indenture. No assurance can be given as to the adequacy of any such self-insurance or any additional insurance to fund necessary repair or replacement of any other portion of the Enterprise. Significant damage to the Enterprise could result in a lack of the ability to generate sufficient Net Revenues to repay the Bonds. The Authority does not, and does not expect to, maintain earthquake insurance on the Enterprise.

## **Parity Obligations**

As described in “SECURITY FOR THE BONDS—Parity Obligations” above, the Indenture permits the Authority to issue or incur Parity Obligations which would be payable from Net Revenues on a parity with the payment of the Bonds. In the event of a decline in Net Revenues, the existence of Parity Obligations could adversely affect the Authority’s ability to pay the Bonds.

## **Public Safety Power Shutoffs**

Southern California Edison (“SCE”), the provider of electric power service in the Authority, has notified its customers that when extreme and potentially dangerous weather conditions exists, SCE may need to proactively turn off power in high fire risk areas to reduce the threat of wildfires (referred to as a “Public Safety Power Shutoff”).

According to SCE, a Public Safety Power Shutoff event will last as long as the extreme and potentially dangerous fire weather conditions exist, along with additional time to inspect/repair our equipment in the affected area to ensure safe and reliable power restoration. The Authority maintains several portable emergency power generators and has installed backup power generators at key lift stations and wells. However, in the event of a prolonged Public Safety Power Shutoff within the City, the operations of the Enterprise could be affected.

## **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 Authority is difficult to predict but it could be significant and it could have a material adverse effect on the Authority’s finances by requiring greater expenditures to counteract the effects of climate change or by changing the business and activities of City customers. While the Authority has plans in place to mitigate the foreseeable effects of future climate change, no assurance can be given that such plans will be sufficient and future climate change could have unpredictable material adverse effects on the Authority’s finances. No climate change studies have been performed.

## **Risks Related to Cyber Security**

The City and the Authority face various cyber security threats, including, but not limited to, hacking, viruses, malware, ransomware and other attacks on their computers and their networks. No assurance can be given that the City’s and the Authority’s efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City or the Authority or the ability of the Authority to make timely payments on the Bonds. The Enterprise is also reliant on other entities and service providers. No assurance can be given that the City, the Authority and these other entities

will not be adversely affected by cyber threats and attacks in a manner that may affect owners of the Bonds. Neither the City nor the Authority has experienced any material cyber threats.

### **Secondary Market**

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue 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.

### **TAX MATTERS**

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, 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 District and others and is subject to the condition that the District 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 District has 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 redemption 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, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

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 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 District 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 attached hereto as Appendix F.

#### **CERTAIN LEGAL MATTERS**

Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, will render opinions with respect to the validity of the Bonds, the forms of which opinions are set forth in APPENDIX F—FORM OF BOND COUNSEL OPINION. Bond Counsel has assumed no responsibility for the accuracy, completeness or fairness of the Official Statement. Certain legal matters will also be passed upon for the Authority by Jones & Mayer, Fullerton, California, as Authority Counsel, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain matters will be passed upon for the Underwriter by Jones Hall, A Professional Law

Corporation, San Francisco, California. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and counsel to the Underwriter is contingent upon issuance of the Bonds.*

## **LITIGATION**

There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending with respect to which the Authority has been served with process or threatened against or affecting the Authority, which would adversely impact the Authority's ability to complete the transaction described in or contemplated by the Indenture or this Official Statement, to restrain or enjoin its collection of the Net Revenues or any payments under the Indenture, or in any way contesting or affecting the validity of the Bonds, the Indenture, the transactions described in this Official Statement, or wherein an unfavorable decision, ruling or determination would adversely affect the validity or enforceability of the Indenture or the Bonds.

## **RATING**

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), has assigned the rating of "AA" to the 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 "RISK FACTORS RELATING TO THE BONDS—Impacts of COVID-19 Pandemic," 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 a rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant, nor can there be any assurance that the criteria required to achieve the rating on the Bonds will not change during the period that the Bonds remain outstanding. 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 current views and current rating criteria 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 or the Authority that is not included in this Official Statement) and on investigations, studies and assumptions of its own.

The City and the Authority have covenanted in a Continuing Disclosure Certificate to file notices of any rating changes on the Bonds with Municipal Securities Rulemaking Board's Electronic Municipal Market Access System. See "CONTINUING DISCLOSURE" and Appendix C. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the City or the Authority and prior to the date by which the City and the Authority are 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 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).

## **MUNICIPAL ADVISOR**

The Authority has retained Ross Financial, San Francisco, California, as municipal advisor (the "Municipal Advisor") in connection with the delivery of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Compensation of the Municipal Advisor is contingent upon the issuance and delivery of the Bonds.

## **CONTINUING DISCLOSURE**

The City, on behalf of the Authority, has covenanted for the benefit of owners and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Enterprise by not later than March 31 following the end of the Authority's fiscal year (currently ending June 30) (the "Annual Report"), commencing with the report for the fiscal year ended June 30, 2020, 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 Authority with the Municipal Securities Rulemaking Board through the Electronic Municipal Access ("EMMA") System. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized below under the caption APPENDIX C—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

During the last five years, the City and the Authority have complied with their continuing disclosure obligations except that during such period, the City and the Authority failed to file "Competitive Rates" as required by the continuing disclosure certificate for the 2009 Bonds. The 2009 Bonds will be defeased upon the issuance of the Bonds. The City has engaged Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices, to serve as Dissemination Agent with respect to the continuing disclosure obligations for the Bonds.

## **AUDITED FINANCIAL STATEMENTS**

The Authority's Basic Financial Statements for Fiscal Year Ended June 30, 2019 (the "Authority Audit") is attached as APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019. The Authority Audit includes the Authority's audited financial statements for the fiscal year ended June 30, 2019. The Authority's financial statements were audited by Eide Bailly LLP, Rancho Cucamonga, California (the "Auditor"). The Auditor has not been asked to consent to the inclusion of the Authority Audit in this Official Statement and has not reviewed this Official Statement.

As described in "SECURITY FOR THE BONDS—Limited Obligation," the Bonds are payable from and secured by a pledge of Net Revenues and the Bonds are not a debt of the Authority.

## **UNDERWRITING**

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (which price is equal to the aggregate principal amount of the Bonds of \$\_\_\_\_\_, plus an original issue premium of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_). The bond purchase agreement pursuant to which the Underwriter has agreed to purchase the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such bond purchase agreement, including the approval of certain legal matters by counsel and certain other conditions.

The Underwriter intends to offer the Bonds to the public at the offering prices or yields set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell to certain dealers and others at prices or yields lower than the offering prices or yields stated on the inside cover page hereof. The offering prices or yields may be changed from time to time by the Underwriter.

## **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not

as representations of fact, and actual results may differ substantially from those set forth herein. 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 summaries of certain provisions of the Bonds, statutes and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the Authority.

The Appendices are an integral part of this Official Statement and must be read together with all other parts of this Official Statement. The audited financial statements of the Authority for the fiscal year ended June 30, 2019, are contained in APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2019.

The execution of this Official Statement and its delivery have been authorized by the Authority Board of the Authority and the City Council of the City.

WHITTIER UTILITY AUTHORITY

By \_\_\_\_\_  
Executive Director

CITY OF WHITTIER

By \_\_\_\_\_  
City Manager



## APPENDIX A

### SUMMARY OF THE INDENTURE

*The following is a brief summary of the provisions of the Indenture not otherwise summarized in the text of this Official Statement. This summary is not intended to be definitive, and reference is made to the complete text of the Indenture for the complete terms thereof.*

#### Definitions

“Act” means the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code.

“Additional Project” means additions, extensions, alterations or improvements to the Enterprise, financed with Parity Obligations.

“Annual Debt Service” means, for each Fiscal Year, the aggregate amount (without duplication) of principal and interest scheduled to become due (either by maturity or by mandatory redemption) and sinking fund payments required to be paid in that Fiscal Year on the Bonds and any Parity Obligations, less any amounts on deposit in escrow to be applied during that Fiscal Year to pay principal or interest on the Bonds and any Parity Obligations, less any amounts on deposit in escrow to be applied during that Fiscal Year to pay principal.

“Authority” means the Whittier Utility Authority, a joint exercise of powers authority organized and existing under the constitution and laws of the State, and any successor thereto.

“Authorized Representative” means, with respect to the Authority, the Chair of the Board of Directors, the Executive Director of the Authority, the Secretary-Treasurer of the Authority, the Auditor of the Authority or any other person designated as an Authorized Representative of the Authority by a Certificate of the Authority signed by the Executive Director of the Authority and filed with the Trustee.

“Board of Directors” means the Board of Directors of the Authority.

“Bond Fund” means the fund by that name referred to in the Indenture.

“Bond Registration Books” means the books maintained by the Trustee pursuant to the Indenture for the registration and transfer of ownership of the Bonds.

“Bond Year” means any twelve-month period commencing on June 2 in a year and ending on the next succeeding June 1, both dates inclusive.

“Bonds” means the 2012 Bonds, the 2020 Bonds and any Parity Obligations, issued and at any time Outstanding under the Indenture.

“Business Day” means a day of the year on which banks in Los Angeles, California, are not required or authorized to remain closed and on which The New York Stock Exchange is not closed.

“Certificate,” “Statement,” “Request,” “Requisition” and “Order” of the Authority mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the Authority by an Authorized Representative of the Authority. 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.

“City” means the City of Whittier, a charter city and municipal corporation organized and existing under the constitution and laws of the State, and any successor thereto.

“City Council” means the City Council of the City.

“Closing Date” means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Original Purchaser thereof.

“Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date, or as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Authority and the City and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means all expenses directly or indirectly payable by the Authority and related to the authorization, issuance, sale and delivery of Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, compensation, fees and expenses of the Authority and the Trustee and their respective counsel, compensation to any financial consultants or underwriters, legal fees and expenses, rating agency fees, bond insurance fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds, and any other cost, charge or fee in connection with the original issuance of Bonds.

“Costs of Issuance Fund” means the fund so designated and established pursuant to the Indenture.

“Debt Service” means, during any period of computation, the amount obtained for such period by totaling the following amounts:

(a) The payments of principal with respect to the Bonds and any Parity Obligation coming due and payable by their terms in such period; and

(b) The payments of interest with respect to the Bonds and any Parity Obligation coming due and payable by their terms in such period.

“Defeasance Obligations” means: (a) cash, (b) U.S. Treasury certificates, notes and bonds (including State and Local Government Series), (c) direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities, (d) the interest component of Resolution Funding Corp. (“REFCORP”) strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form; (e) obligations listed in (b)(i), (ii), (iii), (v), (vii) and (viii) of the definition of Permitted Investments; or (f) pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s, respectively; if, however, the issue is only rated by S&P, then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S.-guaranteed obligations, or AAA rated pre-refunded municipals).

“Enterprise” means any and all facilities, properties and improvements at any time controlled or operated by the Authority used or pertaining to the supply of water, consisting of the entire water production and distribution enterprise of the Authority, including all additions, extensions, expansions, improvements and betterments thereto and equipments thereof and any necessary lands, rights of way and other real and personal property useful in connection therewith, but exclusive of any portion of the existing system not required for the continued operation thereof; provided, however, that to the extent the Authority is not the sole owner of an asset or property, or lessee thereof from the City, only the Authority’s ownership interest in such asset or property or leasehold interest therein from the City, shall be considered a part of the Enterprise.

“Escrow Bank” means U.S. Bank National Association, as escrow bank under the Escrow Agreement.

“Escrow Agreement” means that certain Escrow Agreement, dated the Closing Date, by and between the Authority and the Escrow Bank, providing for the defeasance and refunding of the 2009 Bonds.

“Escrow Fund” means the fund by that name established under and held by the Escrow Bank pursuant to the Escrow Agreement.

“Event of Default” means any of the events of default described in the Indenture.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State.

“Fiscal Year” means the period commencing on July 1 of each year and terminating on the next succeeding June 30.

“Gross Revenue Fund” means the Water Fund held by the City into which all Gross Revenues, as received, are deposited.

“Gross Revenues” means all gross charges received for, and all other gross income and revenues derived by the Authority from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, including but not limited to (a) all fees and charges received by the Authority for the services of the Enterprise, (b) all receipts derived from the investment of such income or revenues, (c) proceeds from the sale of production water rights, and (d) the Subsidy Payments. Gross Revenues shall also include all amounts transferred from the Rate Stabilization Fund to the Gross Revenue Fund during any Fiscal Year in accordance with the Indenture.

Effective when the 2012 Bonds are no longer Outstanding, the term “Gross Revenues” means all gross charges received for, and all other gross income and revenues derived by the Authority from, the ownership and operation of the Enterprise or otherwise arising from the Enterprise, excluding transfers to the Rate Stabilization Fund, including but not limited to (a) all fees and charges received by the Authority for the services of the Enterprise, (b) all receipts derived from the investment of such income or revenues, (c) proceeds from the sale of production water rights, and (d) transfers from the Rate Stabilization Fund.

“Indenture” means the Indenture of Trust, dated as of November 1, 2012, 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 pursuant to the provisions thereof.

“Independent Accountant” means any certified public accountant or firm of such accountants appointed and paid by the Authority, and who, or each of whom:

- (a) is in fact independent and not under domination of the Authority;

(b) does not have any substantial interest, direct or indirect, with the Authority; and

(c) is not connected with the Authority as an officer or employee of the Authority, but who may be regularly retained to make annual or other audits of the books of or reports to the Authority.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information with respect to called bonds as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

“Insurance and Condemnation Proceeds Fund” means the fund by that name established pursuant to the Indenture.

“Insurance Consultant” means a person (which may be the Authority’s insurance agent or broker) having experience and a favorable reputation in consulting on the insurance requirements of water and sewer utilities in the State of the general size and character of the Enterprise, selected by the Authority.

“Interest Account” means the account by that name in the Bond Fund established pursuant to the Indenture.

“Interest Payment Date” means June 1 and December 1 in each year and continuing so long as any Bonds remain Outstanding.

“Lease Agreement” means that certain Enterprise Lease Agreement, dated as of February 1, 2002, as amended, by and between the City and the Authority, pursuant to which the City leased the Enterprise to the Authority and the Authority leased the Enterprise from the City.

“Maintenance and Operation Costs” means the reasonable and necessary costs of maintaining and operating the Enterprise, calculated based upon accounting principles consistently applied, including (among other things) the reasonable expenses of management, personnel, services, equipment, repair and other expenses necessary to maintain and preserve the Enterprise in good repair and working order, and reasonable amounts for administration, overhead, insurance, taxes (if any) and other similar costs, but excluding in all cases depreciation and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature. Maintenance and Operation Costs do not include lease payments, if any, made by the Authority to the City under the Lease Agreement.

“Maintenance and Operation Fund” means the fund by that name established and held by the Authority pursuant to the Indenture.

“Maximum Aggregate Annual Debt Service” means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Bond Year with respect to the Bonds and any Parity Obligations Outstanding.

“Moody’s” means Moody’s Investors Service, New York, New York, or its successors.

“Net Proceeds” means the par amount of the Bonds plus accrued interest and premium, if any, less the amount of any underwriter’s and original issue discount, if any, and less the proceeds applied to pay Costs of Issuance.

“Net Revenues” means, for any Fiscal Year, an amount equal to all of the Gross Revenues received with respect to such Fiscal Year, minus the amount required to pay all Maintenance and Operation Costs becoming payable with respect to such Fiscal Year.

“Original Purchaser” means the first purchaser of the Bonds from the Authority.

“Outstanding,” when used as of any particular time with reference to Bonds, means all Bonds theretofore executed, issued and delivered by the Authority under the Indenture except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Bonds paid or deemed to have been paid within the meaning of the Indenture; and
- (c) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant to the Indenture or any Supplemental Indenture.

“Owner” or “Bond Owner,” when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Bond Registration Books.

“Parity Obligations” means any leases, loan agreements, installment sale agreements, bonds, notes or other obligations of the Authority hereafter issued or incurred and secured by a pledge of and lien on Net Revenues equally and ratably with the Bonds, entered into or issued pursuant to and in accordance with the Indenture.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

“Permitted Investments” means the following:

- (a) direct and general obligations of the United States of America, or those which are fully and unconditionally guaranteed as to timely payment of principal and interest by the same;
- (b) debentures of the Federal Housing Administration to the extent such obligations are guaranteed by the full faith and credit of the United States of America;
- (c) obligations of the following agencies which are not guaranteed by the United States of America: (i) participation certificates or debt obligations of the Federal Home Loan Mortgage Corporation; (ii) consolidated system-wide bonds and notes of the Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives); (iii) consolidated debt obligations or letter of credit-backed issues of the Federal Home Loan Banks; or (iv) mortgage-backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of unpaid principal) or debt obligations of the Federal National Mortgage Association; provided, however, that not more than sixty percent (60%) of the proceeds of the Bonds may, in the aggregate, be invested in any such obligations at one time;
- (d) negotiable certificates of deposit, time deposits and bankers acceptances (having maturities of not more than 180 days) of banks (including the Trustee and its affiliates) the short-term obligations of which are rated in one of the two highest Rating Categories by Moody’s and S&P;
- (e) deposits (including those of the Trustee and its affiliates) which are fully insured by the Federal Deposit Insurance Corporation (“FDIC”);
- (f) debt obligations (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date) rated in one of the two highest Rating Categories by Moody’s and S&P, without regard to gradations;

(g) commercial paper (having original maturities of not more than 270 days) rated in one of the two highest Rating Categories by Moody's and S&P, without regard to gradations;

(h) money market funds or money market mutual funds investing solely in direct and general obligations of the United States of America, including any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian;

(i) collateralized investment agreements with qualified financial institutions rated AAA by at least one national rating service; investments shall be collateralized with treasuries or government agencies at one hundred and ten percent (110%) of funds deposited and subject to the Agencies' retaining the right to sell the instrument if the financial institution's rating falls below AA;

(j) the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name; and

(k) other forms of investments that satisfy the City's Statement of Investment Policy.

"Principal Account" means the account by that name in the Bond Fund established pursuant to the Indenture.

"Principal Payment Date" means June 1 in each year and continuing so long as any Bonds remain Outstanding.

"Project" means the Improvements, being the additions, extensions, alterations and improvements to the Enterprise, financed with the Bonds.

"Project Fund" means the fund by that name established pursuant to the Indenture.

"Project Plans" means the plans for the Project as such plans may be revised from time to time in accordance with the provisions of the Indenture.

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company with respect to any Parity Obligations.

"Rate Stabilization Fund" means the fund by that name established pursuant to the Indenture.

"Rating Category" means, with respect to any Permitted Investment, one or more of the generic categories of rating by Moody's and/or S&P applicable to such Investment Security, without regard to any refinement or gradation of such rating category by a plus or minus sign.

"Record Date" means the fifteenth (15th) calendar day of the month immediately preceding an Interest Payment Date.

"Redemption Fund" means the fund by that name established pursuant to the Indenture.

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

"S&P" means Standard & Poor's Ratings Services, New York, New York, or its successors.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

“Special Record Date” means the date established by the Trustee pursuant to the Indenture as a record date for the payment of defaulted interest on Bonds.

“State” means the State of California.

“Subordinate Obligations” means any obligations of the Authority payable from and secured by a pledge of and lien upon any of the Net Revenues subordinate to the Bonds and any Parity Obligations, entered into or issued pursuant to and in accordance with the Indenture.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, amendatory of or supplemental to the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

“Trust Office” means the principal corporate trust office of the Trustee in Los Angeles, California; provided, however, that the Trustee may from time to time designate other offices for purposes of payment, transfer, exchange or registration of Bonds; provided such office for the Bonds shall be initially the corporate trust operations office of the Trustee in St. Paul, Minnesota.

“Trustee” means U.S. Bank National Association, appointed by the Authority to act as trustee under the Indenture pursuant to the Indenture, and its assigns or any other corporation or association which may at any time be substituted in its place, as provided in the Indenture.

“2009 Bonds” means the Authority’s Whittier Utility Authority Water Revenue Bonds, 2009 Series A, issued pursuant to the 2009 Indenture.

“2009 Indenture” means the Indenture of Trust, dated as of October 1, 2009, by and between the Authority and the Trustee, providing for the issuance of the 2009 Bonds.

“2012 Bonds” means the Authority’s Whittier Utility Authority Water Revenue Bonds, Series 2012 (Subordinate Lien) issued pursuant to the Indenture.

“2020 Bonds” means the Authority’s Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020, issued pursuant to the Indenture, as amended and supplemented by the First Supplemental Indenture..

### **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 Costs of Issuance upon receipt by the Trustee of a Requisition 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 and that such payment is a proper charge against said account.

At the end of six months from the Closing Date, or upon earlier receipt of a Certificate of the Authority stating that amounts in the Costs of Issuance Fund are no longer required for the payment of Costs of Issuance, the Costs of Issuance Fund shall be closed and any amounts then remaining in said account shall be transferred to the Project Fund.

## **Establishment and Application of Project Fund**

The Trustee shall establish, maintain and hold in trust a separate fund designated as the “Project Fund.” The moneys in the Project Fund shall be used and withdrawn by the Trustee to pay the costs of the Project.

Before any payment from the Project Fund shall be made, the Authority shall file or cause to be filed with the Trustee a Requisition of the Authority stating (i) the item number of such payment; (ii) the name of the person to whom each such payment is due, which may be the Authority in the case of reimbursement for costs of the Project theretofore paid by the Authority; (iii) the respective amounts to be paid; (iv) the purpose by general classification for which each obligation to be paid was incurred; (v) that obligation in the stated therefrom; and (vi) that there has not been filed with or served upon the Authority notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to any of the persons named in such Requisition, 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.

Upon receipt of each such Requisition, the Trustee shall pay the amount set forth in such Requisition as directed by the terms thereof out of the Project Fund.

When the Project shall have been completed, the Authority shall deliver to the Trustee a Certificate of the Authority stating the fact and date of such completion and stating that all of the costs thereof have been determined and paid (or that all of such costs have been paid less specified claims which are subject to dispute and for which a retention in the Project Fund is to be maintained in the full amount of such claims until such dispute is resolved).

Upon the receipt of such Certificate of the Authority, the Trustee shall, as directed by said Certificate of the Authority, transfer any remaining balance in the Project Fund, less the amount of any such retention, to the Bond Fund.

## **Pledge of Gross Revenues; Net Revenues**

All Gross Revenues and all amounts on deposit in the Gross Revenue Fund and the Rate Stabilization Fund are irrevocably pledged to the payment of debt service on the Bonds and any Parity Obligations, as provided in the Indenture

The Bonds and any Parity Obligations shall be secured by a first pledge of all of the Net Revenues. In addition, the Bonds shall be secured by a pledge of all of the moneys in all funds and accounts held by the Trustee under the Indenture, including all amounts derived from the investment of such moneys. Such pledge shall constitute a lien on the Net Revenues and such other moneys for the payment of the principal of and interest and premium (if any) on the Bonds in accordance with the terms of the Indenture. The Bonds and any Parity Obligations shall be equally secured by a pledge, charge and lien upon the Net Revenues, without priority for number or date. So long as any of the Bonds are Outstanding, the Net Revenues and such moneys shall not be used for any other purpose, except as set forth in the Indenture except, that out of the Net Revenues, there may be apportioned such sums, for such purposes, as are expressly permitted by the Indenture.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds and the covenants and agreements set forth in the Indenture to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein.



The Authority represents and warrants that it has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the Net Revenues that ranks on a parity with or prior to the pledge granted under the Indenture, except to secure the Bonds. The Authority also represents and warrants that it has not described the Net Revenues in a Uniform Commercial Code financing statement that will remain effective when the Bonds are issued, except in connection with the foregoing pledges, assignments, liens, and security interests. The Authority shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in the Net Revenues that ranks prior to or on a parity with the pledge granted under the Indenture, or file any financing statement describing any such pledge, assignment, lien, or security interest, except as expressly permitted under the Indenture.

The Authority will, to the extent required by law, cause all UCC financing statements or other instruments, to be kept, recorded and filed in such manner and in such places as may be required by law in order to create, perfect, preserve and protect fully the security of the Owners in the Net Revenues and any other collateral and the rights of the Trustee. The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments and transfers as may be required for the better securing, assuring, continuing, transferring, conveying, pledging, assigning and confirming unto the Owners or the Trustee, the Net Revenues and any other collateral pledged to the payment of the principal of, premium, if any, and interest on the Bonds. Except to the extent it is exempt therefrom, the Authority will pay or cause to be paid all filing fees incident to such filing and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments of further assurance.

The Authority agrees that, so long as any of the Bonds and any Parity Obligations remain Outstanding, all of the Gross Revenues shall be deposited as soon as practicable upon receipt in a fund or funds, collectively designated as the "Gross Revenue Fund" which the City has previously established and maintains at such banking or financial institution or institutions as the City shall from time to time designate for such purpose. The City may commingle amounts in said fund with other monies of the City for investment purposes, so long as it maintains accounting records which at all times identify the amount therein and any investment gains or losses thereon.

### **Receipt, Deposit and Application of Gross Revenues and Net Revenues**

All of the Gross Revenues shall be deposited by the City, on behalf of the Authority, immediately upon receipt in the Gross Revenue Fund. All Gross Revenues shall be held in trust by the City, on behalf of the Authority, in the Gross Revenue Fund and shall be applied, transferred, used and withdrawn only for the following purposes:

(a) The Authority shall withdraw from the Gross Revenue Fund such amounts at such times as shall be required to pay all Maintenance and Operation Costs as they come due and payable.

(b) After making the payments, allocations and transfers provided for in paragraph (a) above, on or before the 15th day of each May and November, the City, on behalf of the Authority, shall withdraw from the Gross Revenue Fund and (A) transfer to the Trustee, for deposit in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust, an amount which, together with the balance then on deposit in the Bond Fund, the Interest Account and the Principal Account (other than amounts required for payment of principal of or interest on any Bonds which have matured or been called for redemption but which have not been presented for payment), is equal to the aggregate amount of principal of and interest coming due and payable on the Bonds on the next succeeding Interest Payment Date and (B) transfer to the Trustee an amount equal to the aggregate amount of principal of and interest coming due and payable on any Parity Obligations on the next succeeding Interest Payment Date.

(c) After making the payments, allocations and transfers provided for in paragraphs (a) and (b) above, (A) if the balance in a bond reserve account established for any Parity Obligations is less than the bond reserve requirement established for such Parity Obligations, the notice of which deficiency shall have been given to the Authority, or (B) if any reserve surety bond for any Parity Obligations has been drawn upon to make delinquent payments, the notice of which deficiency shall have been given to the Authority, the deficiency shall be restored by transfers from the first moneys which become available in the Gross Revenue Fund to the Trustee for deposit in the bond reserve account established for such Parity Obligations, such transfers to be made no less than semiannually.

Following the transfer described in paragraphs (a), (b) and (c) above with respect to each Interest Payment Date, any moneys remaining in the Gross Revenue Fund may at any time be treated as surplus and applied for any lawful purpose, including but not limited to, deposits to the Rate Stabilization Fund.

#### **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 redeemed prior to maturity pursuant to the Indenture).

#### **Application of Principal Account**

All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purposes of paying the principal of the Bonds when due and payable.

#### **Application of Redemption Fund**

The Trustee shall establish and maintain within the Redemption Fund (which the Trustee shall establish, maintain and hold in trust) a separate Redemption Fund. The Authority may at any time deposit moneys into the Redemption Fund for the purposes of redeeming Bonds in accordance with the terms of the Indenture. All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in the Indenture, at the next succeeding date of redemption for which notice has been given and at the redemption prices then applicable to redemptions from the Redemption Fund; provided that, at any time prior to giving such notice of redemption, the Trustee upon Order of the Authority shall apply such amounts to the purchase of Bonds made by the Authority 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 by the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the par value of such Bonds.

#### **Investment of Moneys in Funds and Accounts**

All moneys in any of the funds and accounts established pursuant to the Indenture shall, upon Request of the Authority provided at least two Business Days prior to the date of investment, be invested by the Trustee, but solely in Permitted Investments. In the absence of such Request of the Authority, the Trustee shall invest available moneys in investments described in paragraph (h) of the definition of Permitted Investments. If no specific money market fund had been specified by the Authority, the Trustee shall make a request to the Authority for investment directions and, if no investment directions are provided within 10 days, such amount shall be held in cash, uninvested during such 10 day period and thereafter, until specific investment directions are provided by the Authority to the Trustee. Notwithstanding the foregoing, amounts in the Project Fund may be invested in any lawful investment for City funds, in accordance with the City's Statement of Investment Policy (the Authority shall confirm in writing to the Trustee that any such investment is in accordance with the City's Statement of Investment Policy).

Moneys in all funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required by the Trustee.

All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture shall be deposited when received in the Bond Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund or account for the credit of which such Permitted Investment was acquired.

The Trustee may commingle any of the funds or accounts established pursuant to the Indenture into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee under the Indenture shall be accounted for separately as required by the Indenture. The Trustee may act as principal or agent in the making or disposing of any investment. The Trustee may sell, or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investment is credited, and, subject to the provisions of the Indenture, the Trustee shall not be liable or responsible for any loss resulting from such investment.

The Authority acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically requires receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee under the Indenture. The Trustee may make any investments under the Indenture through its own bond or investment department or trust investment department, or those of its parent or any affiliate.

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.

### **Rate Stabilization Fund**

There is hereby created a separate fund to be known as the "Rate Stabilization Fund," to be held and maintained by the Authority. Money transferred from the Gross Revenue Fund to the Rate Stabilization Fund in accordance with the Indenture, if any, shall be held in the Rate Stabilization Fund and applied in accordance with this Indenture. The Authority may withdraw all or a portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Gross Revenue Fund for application in accordance with Indenture or, in the event that all or a portion of the Bonds are discharged in accordance with the Indenture.

When the 2012 Bonds are no longer Outstanding:

(a) The "Rate Stabilization Fund," previously created, held and maintained by the Authority, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Enterprise is hereby continued. From time to time the Authority may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues which are released from the pledge and lien which secures the 2020 Bonds, as the Authority may determine.

The Authority may, but is not required to, withdraw amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Gross Revenue Fund in any Fiscal Year for the purpose of paying the principal of and interest on the 2020 Bonds and any outstanding Parity Obligations coming due and payable in such Fiscal Year.

Amounts so transferred from the Rate Stabilization Fund to the Gross Revenue Fund shall constitute Gross Revenues for such Fiscal Year (except as otherwise provided herein) and shall be applied for the purposes of the Gross Revenue Fund. Amounts on deposit in the Rate Stabilization Fund shall not be pledged to or otherwise secure the 2020 Bonds or any Parity Obligations.

To the extent that the Authority appropriates funds from Gross Revenues into the Rate Stabilization Fund for the Enterprise, a deduction shall be made from Gross Revenues of the Enterprise in the Fiscal Year during which said transfer occurred for purposes of calculations to be made under Section 5.02. To the extent that the Authority appropriates funds from the Rate Stabilization Fund into the Gross Revenue Fund, the Authority may count the funds so transferred as Gross Revenues in the Fiscal Year in which said transfer occurs, for purposes of the Indenture.

All interest or other earnings on deposits in the Rate Stabilization Fund shall be retained therein or, at the option of the Authority, be applied for any other lawful purposes. The Authority has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of the Authority

### **Certain Covenants**

Punctual Payment. The Authority shall punctually pay or cause to be paid the principal or Redemption Price and interest to become due in respect of all 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 Net Revenues and other assets pledged for such payment as provided in the Indenture.

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 of the claims for interest by the purchase or funding of such Bonds or claims for interest 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 under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of 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 the Indenture 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.

Discharge of Claims. The Authority covenants that in order to fully preserve and protect the priority and security of the Bonds the Authority shall pay from the Net Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Enterprise which, if unpaid, may become a lien or charge upon the Net Revenues prior or superior to the lien of the Bonds and impair the security of the Bonds. The Authority shall also pay from the Net Revenues all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the Enterprise or upon any part thereof or upon any of the Net Revenues therefrom.

Operation of Enterprise in Efficient and Economical Manner. The Authority covenants and agrees to operate, or cause to be operated, the Enterprise in an efficient and economical manner and to operate, maintain and preserve the Enterprise in good repair and working order.

Against Encumbrances. Except as provided in the Indenture, the Authority covenants that the property, facilities and improvements of the Enterprise shall not be mortgaged or otherwise encumbered, leased, pledged, any charge placed thereon, or disposed of as a whole or substantially as a whole unless: (a) the Authority shall cause to be filed with the Trustee written evidence from Moody's, if Moody's is rating the Bonds, and/or S&P, if S&P is rating the Bonds, that such sale or other disposition will not cause a reduction or withdrawal of the uninsured rating then assigned to the Bonds by each such rating agency; and (b) such sale or other disposition shall be so arranged as to provide for a continuance of payments into the

Bond Fund sufficient in amount to permit payment therefrom of the principal of and interest on and premiums, if any, due upon the call and redemption thereof, of the Outstanding Bonds, and also to provide for such payments into the funds as are required under the terms of the Indenture. Notwithstanding the foregoing, the Authority may lease real property or water rights constituting a portion of the Enterprise; provided that the lease payments shall be considered Gross Revenues under the Indenture.

The Authority further covenants that the Net Revenues or any other funds pledged or otherwise made available to secure payment of the principal of and interest on the Outstanding Bonds shall not be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed of or used except as authorized by the terms of the Indenture. The Authority further covenants that it will not enter into any agreement which impairs the operation of the Enterprise or any part of it necessary to secure adequate Net Revenues to pay the principal and interest of the Bonds or which otherwise would impair the rights of the Bond Owners with respect to the Net Revenues. If any substantial part of the Enterprise is sold the payment therefor shall either be used for the acquisition and/or construction of improvements and extensions of the Enterprise or shall be deposited with the Trustee in the Redemption Fund and shall be used to redeem the Outstanding Bonds on a pro rata basis.

Records and Accounts. The Authority covenants that it shall keep proper books of record and accounts of the Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise. Said books shall, upon reasonable request, be subject to the inspection of the Owners of not less than ten percent (10%) of the Outstanding Bonds or their representatives authorized in writing.

The Authority covenants that it will cause the books and accounts of the Enterprise to be audited annually by an Independent Accountant and will make available for inspection by the Bond Owners at the Trust Office of the Trustee, upon reasonable request, a copy of the report of such Independent Accountant. Any such audit may be combined with and be a part of the general audit of the Authority's financial records.

Rates and Charges. The Authority shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are at least sufficient, after making allowances for contingencies and error in the estimates, to pay the following amounts in the following order:

- (a) all Maintenance and Operation Costs estimated by the Authority to become due and payable in such Fiscal Year;
- (b) the principal of and interest on the Outstanding Bonds and Parity Obligations becoming due and payable during such Fiscal Year, including all mandatory sinking account payments during such Fiscal Year;
- (c) all other payments required for compliance with the Indenture and the instruments pursuant to which any Parity Obligations shall have been issued; and
- (d) all payments required to meet any other obligations of the Authority which are charges, liens, encumbrances upon or payable from the Gross Revenues or the Net Revenues.

In addition, the Authority shall, to the extent permitted by law, fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Enterprise during each Fiscal Year which are sufficient to yield Net Revenues at least equal to one hundred twenty-five percent (125%) of the amounts payable under the preceding clause (ii) in such Fiscal Year.

Limitations on Future Obligations Secured by Net Revenues.

(a) No Obligations Superior to Bonds or Parity Obligations. In order to protect further the availability of the Net Revenues and the security for the Bonds and any Parity Obligations, the Authority covenants that no additional bonds or other indebtedness will be issued or incurred on a senior basis to the Bonds or such Parity Obligations that are payable out of the Net Revenues in whole or in part, except Senior Refunding Bonds.

(b) Parity Obligations. The Authority further covenants that, except for obligations incurred to prepay or post a security deposit for the payment of the Bonds or Parity Obligations, the Authority may issue or incur Parity Obligations during the term of the Bonds if:

(i) No Event of Default shall have occurred and then be continuing.

(ii) The indenture providing for the issuance of such Parity Obligations shall specify the purposes for which such Parity Obligations are being issued, which shall be one or both of the following:

(A) to provide moneys needed to complete the Project or to acquire, install, construct or complete an Additional Project, including reimbursements of any sums advanced by the Authority for such purposes, by depositing into the Project Fund or in the project fund established for such Additional Project, as the case may be, the proceeds of such Parity Obligations to be so applied, or

(B) to refund all or part of the Bonds of any one or more Parity Obligations then Outstanding, by depositing with the Trustee, in trust, moneys or Defeasance Obligations in the necessary amount to discharge all liability of the Authority with respect to the Bonds or the Parity Obligations to be refunded.

(iii) The indenture providing for the issuance of such Parity Obligations may, but is not required to, provide for the payment of expenses incidental to such purposes, including the costs of issuance of such Parity Obligations, interest on such Parity Obligations and, in the case of Parity Obligations issued to refund the Bonds or other Parity Obligations, expenses incident to calling, redeeming, paying or otherwise discharging the Bonds or other Parity Obligations to be refunded.

(iv) The Authority may but shall not be required to fund a reserve fund or obtain a Qualified Reserve Fund Credit Instrument with respect to any Parity Obligations. If a reserve fund is funded for any Parity Obligations or a Qualified Reserve Fund Credit Instrument is obtained with respect to any Parity Obligations, such funded reserve fund or Qualified Reserve Fund Credit Instrument shall secure only the related Parity Obligations and shall not support the Bonds or any other Parity Obligations.

(v) Parity Obligations shall be payable as to principal on June 1 in each year in which principal becomes due and shall be payable as to interest semiannually on June 1 and December 1, except that the first installment of interest may be payable on either June 1 or December 1 and shall be for a period not longer than twelve (12) months.

(vi) The aggregate principal amount of Parity Obligations issued shall not exceed any limitation imposed by law.

(vi) The Net Revenues, including amounts transferred from the Rate Stabilization Fund but excluding revenues derived from the sale of production water rights, calculated based upon accounting principles consistently applied, as shown by the books of the Authority for the latest Fiscal Year for which audited financial statements are available, as shown by an audit certificate or opinion of an Independent Accountant, and including, at the option of the Authority, any or both of the items hereinafter

designated (i) and (ii), shall have amounted to at least 1.25 times the sum of the Maximum Aggregate Annual Debt Service coming due and payable in any future Fiscal Year immediately subsequent to the incurring of such Parity Obligations.

Any or all of the following items may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (vi):

(A) An allowance for Net Revenues from any additions to or improvements or extensions of the Enterprise to be made with the proceeds of such Parity Obligations, and also for Net 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, were not in service, all in an amount equal to 70% 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 by the certificate or opinion of a qualified independent engineer employed by the Authority.

(B) An allowance for earnings arising from any increase in the charges made for service from the Enterprise which has become effective prior to the issuance of such Parity Obligations but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 90% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the issuance of such Parity Obligations, as shown by the certificate or opinion of a qualified independent engineer or certified public accountant employed by the Authority; provided, however, that any increase in the charges that is temporary in nature, for example to address drought conditions, shall not be included.

(vii) The estimated Net Revenues, including amounts transferred from the Rate Stabilization Fund, for the then current Fiscal Year, and including at the option of the Authority, any or both of the items described in the subsections designated (A) and (B) immediately above, will produce a sum at least equal to 1.25 times the Maximum Aggregate Annual Debt Service including such proposed Parity Obligations.

Nothing contained in the Indenture shall prevent or be construed to prevent the instrument providing for the issuance of Parity Obligations from pledging or otherwise providing, in addition to the security given or intended to be given by the Indenture, additional security for the benefit of such Parity Obligations or any portion thereof.

The Authority may borrow moneys from the State to finance improvements to the Enterprise (a "State Loan"), and may borrow moneys from the United States Environmental Protection Agency under its Water Infrastructure Finance and Innovation Act loan program (a "WIFA Loan") which borrowings shall constitute Parity Obligations but which otherwise satisfy the parity test described above except that the payment dates may be other than those described in paragraph (e) above. The Authority shall not make a payment on a State Loan or a WIFA Loan with payment dates that precede the Interest Payment Dates if to do so would cause the Authority to fail to make a timely payment of debt service on the 2020 Bonds or other Parity Obligations and, in such case, the Authority shall make such payment on a State Loan to the extent that available Net Revenues would be paid with respect to such State Loan, the debt service on the 2020 Bonds and other Parity Obligations on a pro rata basis.

(c) Subordinate Obligations. Additional obligations may be issued on a basis subordinate to the Bonds and Parity Obligations without limitation.

(d) Calculating Debt Service on Variable Rate Debt. For all purposes, variable rate indebtedness shall be assumed to bear interest at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least twelve months, the average rate over the twelve months immediately

preceding the date of calculation, and (iii) (A) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published Bond Buyer “Revenue Bond Index” (or comparable index if no longer published) plus 50 basis points, or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus 50 basis points; provided, however, that for purposes of any rate covenant measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period.

#### Tax Covenants.

(a) Private Activity Bond Limitation. The Authority shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code.

(b) Private Loan Financing Limitation. The Authority shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private loan financing test of Section 141(c) of the Code.

(c) Federal Guarantee Prohibition. The Authority shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) Rebate Requirement. The Authority shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government.

(e) No Arbitrage. The Authority shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds, to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(f) Maintenance of Tax-Exemption. The Authority shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Continuing Disclosure. The Authority covenants and agrees in the Indenture that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Authority to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Assumption of Obligations Upon Termination of the Lease Agreement. In the event the Lease Agreement is, for any reason, terminated prior to the final payment of all Bonds under the Indenture, the Authority will assume all of the Authority’s obligations under the Indenture for the payment of the principal of and interest on the Bonds.

Maintenance and Operation of the Enterprise. The Authority covenants and agrees that it will operate and maintain the Enterprise in accordance with all applicable governmental laws, ordinances, approvals, rules, regulations and requirements including, without limitation, such zoning, sanitary, pollution and safety ordinances and laws and such rules and regulations thereunder as may be binding upon the Authority.



Taxes, Assessments, Other Governmental Charges and Utility Charges. The Authority covenants and agrees that it will pay and discharge all taxes, assessments, governmental charges of any kind whatsoever, and utility charges which may be or have been assessed or which may have become liens upon the Enterprise or the interest therein of the Trustee or of the Owners of the Bonds, and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of the Enterprise or any part thereof, and upon request, will furnish to the Trustee receipts for all such payments, or other evidence satisfactory to the Trustee; provided, however, that the Authority shall not be required to pay any tax, assessment, rate or charge as provided in the Indenture as long as it shall in good faith contest the validity thereof, provided that the Authority shall have set aside adequate reserves with respect thereto.

Public Liability and Property Damage Insurance. The Authority shall maintain or cause to be maintained, so long as any Bonds or Parity Obligations remain outstanding, but only if and to the extent available at reasonable cost from reputable insurers, a standard comprehensive general insurance policy or policies in protection of the Authority, the Authority and their respective members, officers, agents, assignees and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Enterprise. Said policy or policies shall provide coverage in such liability amounts and shall be subject to such deductibles as shall be customary with respect to works and property of a like character. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the Authority or the Authority and may be maintained in whole or in part in the form of self-insurance by the Authority or the Authority, in the form of the participation by the Authority or the Authority in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Casualty Insurance. The Authority shall procure and maintain or cause to be procured and maintained, so long as any Bonds or Parity Obligations remain outstanding, but only in the event and to the extent available from reputable insurers at reasonable cost, casualty insurance against loss or damage to any improvements constituting any part of the Enterprise, covering such hazards as are customarily covered with respect to works and property of like character. Such insurance may be subject to deductible clauses which are customary with respect to works and property of a like character. Such insurance may be maintained as part of or in conjunction with any other casualty insurance coverage carried by the Authority or the Authority and may be maintained, in whole or in part, in the form of self-insurance by the Authority or the Authority, subject to the provisions of the Indenture, or in the form of the participation by the Authority or the Authority in a joint powers agency or other program providing pooled insurance. All amounts collected from insurance against accident to or destruction of any portion of the Enterprise shall be used to repair, rebuild or replace such damaged or destroyed portion of the Enterprise and, to the extent not so applied or to the extent the Authority determines it is not economically feasible or in the best interests of the Authority to so repair, rebuild or replace such damaged or destroyed portion of the Enterprise, shall be applied to redeem the Bonds pro rata with any Parity Obligations.

Insurance Net Proceeds; Form of Policies. The Authority shall pay or cause to be paid when due the premiums for all insurance policies required by the Lease Agreement. The Authority shall annually, on or before December 1, deliver to the Trustee a Certificate of the Authority to the effect that the Authority has complied with the requirements of the Indenture. In the event that any insurance required pursuant to the Indenture shall be provided in the form of self-insurance, the Authority shall file with the Trustee annually, within ninety (90) days following the close of each Fiscal Year, a statement of an independent actuarial consultant identifying the extent of such self-insurance and stating the determination that the Authority maintains sufficient reserves with respect thereto. In the event that any such insurance shall be provided in the form of self-insurance by the Authority, the Authority shall not be obligated to make any payment with respect to any insured event except from Gross Revenues or from such reserves.

Eminent Domain. Any amounts received as awards as a result of the taking of all or any part of the Enterprise by the lawful exercise of eminent domain, at the election of the Authority (evidenced by a Certificate of the Authority filed with the Trustee and the Authority) shall either (a) be used for the lease, acquisition or construction of improvements or extension of the Enterprise, or (b) be applied to redeem the Bonds pro rata with any Parity Obligations.

### **Events of Default And Remedies of Bondowners**

Events of Default. The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of any Bond or Parity Obligation when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise, in the amounts and at the times provided therefor;

(b) default in the due and punctual payment of any installment of interest on any Bond or Parity Obligation when and as such interest installment shall become due and payable;

(c) default by the Authority in the observance of any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained (other than as referred to in subsections (a) or (b) above), if such default shall have continued for a period of thirty (30) 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 to the Authority and the Trustee by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; or

(d) the Authority's filing a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or making an assignment for the benefit of creditors, or admitting in writing to its insolvency or inability to pay debts as they mature, or consenting in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the Enterprise.

Acceleration of Maturities. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the Authority, to 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.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority shall deposit with the Trustee a sum sufficient to pay all the principal or Redemption Price of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds 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 Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Authority and the Trustee, or the Trustee if such declaration was made by the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Application of Net Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Net Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and any Parity Obligations and payment of reasonable charges and expenses of the Trustee (including, but not limited to, reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture;

(b) To the payment of the principal or Redemption Price of and interest then due on the Bonds and any Parity Obligations (upon presentation of the Bonds and any Parity Obligations to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

(i) Unless the principal of all of the Bonds and any Parity Obligations shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount 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 or Redemption Price of any Bonds and any Parity Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds and any Parity Obligations, and, if the amount available shall not be sufficient to pay in full all the Bonds and any Parity Obligations due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date to the persons entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Bonds and any Parity Obligations shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds and any Parity Obligations, with interest on the overdue principal at the rate borne by the respective Bonds and any Parity Obligations, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

### **Modification or Amendment of the Indenture**

Amendments Permitted. The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may execute when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under the Indenture. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, provided in the Indenture for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, 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 effect any such modification or amendment, or permit the creation of any lien on the Net Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, other than Parity Obligations, or deprive the Owners of the Bonds of the lien created by the Indenture on such Net Revenues and other assets (except as expressly provided in the Indenture), or terminate the insurance of the Bonds, without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the 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 the Owners at the addresses shown on the Bond 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.

The Indenture and the rights and obligations of the Authority, of the Trustee and of 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 execute without the consent of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in the Indenture contained 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 reserved in the Indenture to or conferred upon the Authority, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Owners of the Bonds;

(ii) 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 and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds;

(iii) to make such additions, deletions or modifications as may be necessary to assure exclusion from gross income for purposes of federal income taxation of interest on the Bonds; or

(iv) to issue Parity Obligations or to substitute a Qualified Reserve Account Credit Instrument.

No such Supplemental Indenture shall modify any of the rights or obligations of the Trustee without its prior written consent thereto; nor shall the Trustee be required to consent to any such Supplemental Indenture which affects its rights or obligations under the Indenture.

Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective, 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 under the Indenture 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.

## **Defeasance**

Discharge of Indenture. Any or all of 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 under the Indenture by the Authority:

(a) by paying or causing to be paid the principal or Redemption Price of and interest on such Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or Permitted Investments described in paragraph (a) of the definition thereof (“Defeasance Obligations”) in the necessary amount to pay or redeem such Bonds Outstanding; or

(c) by delivering to the Trustee, for cancellation by it, such Bonds Outstanding.

If the Authority shall pay all Bonds Outstanding and shall also pay or cause to be paid all other sums payable under the Indenture by the Authority, then and in that case, at the election of the Authority (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 Net Revenues and other assets made 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, except only as provided in the Indenture. In such event, upon Request of the Authority, the Trustee shall cause an accounting for such period or periods as may be requested by the Authority to be prepared and filed with the Authority and 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 to the Authority 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.

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 to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the Owner thereof shall be entitled to payment of the principal of and interest to the maturity or redemption date on such Bond by the Authority, and the Authority shall remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for such payment, provided further, however, that the provisions of the Indenture shall apply in all events.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds 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.

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 Defeasance Obligations in the necessary amount to pay or redeem any Bonds, the money or Defeasance Obligations so to be deposited or held may include money or Defeasance Obligations 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 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 the Indenture or provision 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 or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(b) Defeasance Obligations the principal of and interest on which when due will provide money sufficient, in the opinion of an Independent Accountant, to pay the principal or Redemption Price of

and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest 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 the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided, in each case, that 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 or Redemption Price and interest with respect to such Bonds.

Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal or redemption premium of, or interest on, any Bonds and remaining unclaimed for two 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 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 to the Authority free from the trusts created by the Indenture, 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, as the case may be, may (at the cost of the Authority) first mail a notice, in such form as may be deemed appropriate by the Trustee, to the Owners of 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.

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30 2019**

## APPENDIX C

### FORM OF THE CONTINUING DISCLOSURE CERTIFICATE

*Upon issuance of the Bonds, the City proposes to enter into a Continuing Disclosure Agreement in substantially the following form:*

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the CITY OF WHITTIER (the “City”) in connection with the issuance by the Whittier Utility Authority (the “Authority”) of its \$5,880,000\* Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020 (the “Bonds”). The Bonds are being issued pursuant to an indenture of trust, dated as of November 1, 2012, as amended and supplemented by a First Supplemental Indenture, dated as of June 1, 2020 (collectively, the “Indenture”), each by and between the Authority and U.S. Bank National Association, as trustee. The City, on behalf of the Authority, covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and, in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

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

“Annual Report Date” means the March 31 after the end of the City’s fiscal year.

“Dissemination Agent” shall mean, initially, Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices, or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

“Fiscal Year” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period under a Certificate of the City filed with the Trustee.

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the final official statement executed by the Authority and the City in connection with the issuance of the Bonds.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

“Significant Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

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\* Preliminary, subject to change.



Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City, on behalf of the Authority, for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2021, with the report for fiscal year 2019-20 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

(a) The Authority's audited financial statements 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 the Authority's audited financial statements are not available by the Annual Report Date, 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) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for the preceding fiscal year, substantially similar to that provided in the Official Statement, as follows:

- (i) Historical Water Rights, Production and Carryover (Table 1);
- (ii) Enterprise Demands and Peaking Factors (Table 2);

- (iii) Water Consumption and Water Production (Table 3);
- (iv) Water Meters by Customer Type (Table 7);
- (v) Ten Largest Users of Water by Consumption (Table 8);
- (vi) Rates for Water Service (if different from Table 9);
- (vii) Water Enterprise Fund Statement of Net Position (Table 10);
- (viii) Historical Summary of Gross Revenues, Maintenance and Operation Costs and Debt Service Coverage (Table 12); and
- (ix) Statement of the City's Net Pension Liability.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) 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 are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Authority, the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Authority, the City or an obligated person, or the sale of all or substantially all of the assets of the Authority, the City or an obligated person (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, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the Authority or the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority or the City, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority or the City, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier “if material.” The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event’s occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of “financial obligation” to have the meanings ascribed thereto in the Rule.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority or the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental has assumed jurisdiction over substantially all of the assets or business of the Authority or the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental , or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental having supervision or jurisdiction over substantially all of the assets or business of the Authority or the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting 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 Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days’ written notice to the City.

Section 9. 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 the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. 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 Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner 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.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Section 9.01 of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

CITY OF WHITTIER

By \_\_\_\_\_  
City Manager

ACKNOWLEDGED:

FIELDMAN, ROLAPP & ASSOCIATES, INC.,  
doing business as Applied Best Practices, as  
Dissemination Agent

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Whittier Utility Authority

Name of Obligor: City of Whittier

Name of Issues: Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Issuer in connection with the Issue. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

FIELDMAN, ROLAPP & ASSOCIATES, INC.,  
doing business as Applied Best Practices, as Dissemination  
Agent

By \_\_\_\_\_  
Title \_\_\_\_\_

cc: Trustee

**APPENDIX D**  
**CITY INVESTMENT POLICY**

## APPENDIX E

### GENERAL INFORMATION REGARDING THE CITY OF WHITTIER AND LOS ANGELES COUNTY

*The information in this section of the Official Statement is presented as general background data. The Bonds are payable solely from the Net Revenues of the Enterprise and other sources as described in the Official Statement. The taxing power of the City, 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 E, 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.*

#### **Introduction**

**City of Whittier.** The City of Whittier (the “City”) is located in Los Angeles County (the “County”), about 12 miles southeast of the City of Los Angeles. The City is generally located south of the 60 Freeway, east of the I-605 Freeway, and north of Imperial Highway (90). A five-member City Council governs the City under the Council/Manager form of government. The City is a charter city, originally incorporated in 1898 and chartered in 1955. The City covers 14.8 square miles and has an estimated population of approximately 88,000. The City is bounded by the cities of La Habra, Santa Fe Springs, Pico Rivera, City of Industry, La Habra Heights, and other unincorporated areas of Los Angeles County. The city is named for the Quaker poet John Greenleaf Whittier and is home to Whittier College.

**Los Angeles 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 southern portion of the State, the County covers 4,083 square miles. With a population of over 10 million, its population is the largest of any county in the nation. The County’s economy is larger than that of 43 states and all but 20 countries. The County serves as the central trade district for the western United States and the gateway to the Asian economies, as it has evolved into a leader in international commerce and investments.

#### **Governance and Management**

The City operates as a general law city with a Council-Manager form of government. The elected City Council is responsible for policy making, and a professional City Manager is appointed by the Council. The Authority Board is a five-member governmental body that includes the Mayor, Mayor Pro Tem, and three Council Members. The City Manager implements City Council directives and policies and manages the operational functions of the City. The City staff is organized into departments, which provide police, community development, maintenance, general administration, community service and capital improvements.

The City provides a full complement of services to its citizens. The services provided by the City include police, parks, maintenance, planning, building, engineering, library, public transit, and general administration. The City also operates various enterprise programs that provide water, sewer and solid waste services to portions of the community. Solid waste collection and cable broadcasting services are provided through franchise arrangements with private vendors. In addition, the City provides police services through a contract to the neighboring City of Santa Fe Springs, and the Los Angeles County Fire Protection District supplies fire services to our residents.



The current mayor and city council members are set forth below:

**CITY COUNCIL of the CITY of WHITTIER**

<i>Name</i>	<i>Position</i>	<i>Term Expires</i>
Joe Vinatieri	Mayor	March 2022
Fernando Dutra	Mayor Pro Tem	March 2022
Henry Bouchot	Councilmember	March 2022
Cathy Warner	Councilmember	March 2024
Jessica Martinez	Councilmember	March 2024

**Population**

The table below summarizes population of the City, the County, and the State of California for the last five years.

**CITY OF WHITTIER, LOS ANGELES COUNTY, and CALIFORNIA  
Population**

<i>Year</i>	<i>City of Whittier</i>	<i>Los Angeles County</i>	<i>State of California</i>
2015	87,590	10,155,753	38,952,462
2016	87,680	10,185,851	39,214,803
2017	87,697	10,226,920	39,504,609
2018	87,756	10,254,658	39,740,508
2019	87,526	10,253,716	39,927,315

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-19, with 2010 Census Benchmark.

**Employment**

The following table summarizes historical employment and unemployment for the County, the State of California and the United States:

**LOS ANGELES 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<sup>(1)</sup></i>
2015	Los Angeles County	5,011,700	4,674,800	336,900	6.7
	California	18,981,800	17,798,600	1,183,200	6.2
	United States	157,130,000	148,834,000	8,296,000	5.3
2016	Los Angeles County	5,043,300	4,778,800	264,500	5.2
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	7,751,000	4.9
2017	Los Angeles County	5,123,900	4,883,600	240,300	4.7
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	Los Angeles County	5,136,300	4,896,500	239,800	4.7
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9
2019 <sup>(2)</sup>	Los Angeles County	5,121,600	4,894,300	227,300	4.4
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7

<sup>(1)</sup> The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

<sup>(2)</sup> Latest available full-year data.

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-19, and US Department of Labor.

## Major Industries in the County

The table below sets forth the ten largest industries by employment in Los Angeles County in 2019.

### LOS ANGELES COUNTY 2019 Major Industries

<i>Industry</i>	<i>No. of Employees</i>	<i>% of Total</i>
Trade, Transportation and Utilities	844,200	17.44%
Educational & Health Services	840,300	17.36
Professional & Business Services	627,300	12.96
Government	603,900	12.48
Leisure & Hospitality	555,400	11.47
Manufacturing	344,400	7.11
Information	219,900	4.54
Financial Activities	210,100	4.34
Other Services	164,600	3.40
Construction	<u>157,900</u>	<u>3.26</u>
Total Top 10 Industries	4,568,000	94.36
All Other Industries	<u>272,800</u>	<u>5.64</u>
Total All Industries	4,840,800	100.00%

Source: Los Angeles County 2019 CAFR.

## Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

### CITY OF WHITTIER Building Permits and Valuation (Dollars in Thousands)

	2014	2015	2016	2017	2018 <sup>(1)</sup>
<u>Permit Valuation:</u>					
New Single-family	\$ 1,050	\$ 441	\$ 20,386	\$ 5,456	\$ 3,779
New Multi-family	14,292	11,298	2,217	960	-
Res. Alterations/Additions	<u>14,680</u>	<u>16,137</u>	<u>16,970</u>	<u>13,751</u>	<u>8,535</u>
Total Residential	30,022	27,876	39,574	20,168	12,314
Total Nonresidential	<u>12,355</u>	<u>52,316</u>	<u>29,814</u>	<u>15,742</u>	<u>12,423</u>
Total All Building	<u>\$ 42,377</u>	<u>\$ 80,192</u>	<u>\$ 69,388</u>	<u>\$ 35,910</u>	<u>\$ 24,738</u>
<u>New Dwelling Units:</u>					
Single Family	1	2	64	17	10
Multiple Family	<u>70</u>	<u>78</u>	<u>9</u>	<u>12</u>	<u>-</u>
Total	<u>71</u>	<u>80</u>	<u>73</u>	<u>29</u>	<u>10</u>

### LOS ANGELES COUNTY Building Permits and Valuation (Dollars in Thousands)

	2014	2015	2016	2017	2018 <sup>(1)</sup>
<u>Permit Valuation:</u>					
New Single-family	\$ 1,744,290	\$ 1,897,829	\$ 2,162,018	\$ 2,352,614	\$ 2,277,101
New Multi-family	2,290,197	2,843,749	2,774,294	3,257,833	3,222,530
Res. Alterations/Additions	<u>1,474,930</u>	<u>1,641,457</u>	<u>1,639,294</u>	<u>1,757,904</u>	<u>1,941,369</u>
Total Residential	5,509,417	6,383,036	6,575,607	7,368,352	7,441,001
Total Nonresidential	<u>6,657,571</u>	<u>5,645,372</u>	<u>5,287,623</u>	<u>6,037,502</u>	<u>6,694,097</u>
Total All Building	<u>\$ 12,166,989</u>	<u>\$ 12,028,408</u>	<u>\$ 11,863,230</u>	<u>\$ 13,405,855</u>	<u>\$ 14,135,098</u>
<u>New Dwelling Units:</u>					
Single Family	4,358	4,487	4,780	5,456	6,070
Multiple Family	<u>14,349</u>	<u>18,405</u>	<u>15,589</u>	<u>17,023</u>	<u>17,152</u>
Total	<u>18,707</u>	<u>22,892</u>	<u>20,369</u>	<u>23,479</u>	<u>23,222</u>

<sup>(1)</sup> Latest available full year data.

Note: Columns may not sum to totals due to independent rounding.

Source: Construction Industry Research Board: "Building Permit Summary."

**Median Household Income**

The following table summarizes the median household effective buying income for the City, the County, the State of California and the nation for the past five years.

**CITY OF WHITTIER, LOS ANGELES COUNTY,  
STATE OF CALIFORNIA AND UNITED STATES  
Median Household Effective Buying Income**

	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
Whittier	\$ 57,952	\$ 57,406	\$ 62,981	\$ 63,956	\$ 66,180
Los Angeles County	48,950	50,236	54,720	53,831	60,174
California	53,589	55,681	59,646	62,637	65,870
United States	46,738	48,043	50,735	52,841	55,303

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Source: Nielsen, Inc.

**APPENDIX F**

**FORM OF BOND COUNSEL OPINION**

*Upon issuance of the 2020 Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:*

\_\_\_\_, 2020

City of Whittier  
Whittier, California

*Re: Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020*

Members of the City Council:

We have examined a certified copy of the record of the proceedings of the City of Vernon (the “City”) relative to the issuance of the \$\_\_\_\_\_ Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020 (the “2020 Bonds”), dated the date hereof, and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the City, the initial purchaser of the 2020 Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The 2020 Bonds are being issued pursuant to an Indenture of Trust, dated as of November 1, 2012, as amended and supplemented by a First Supplemental Indenture, dated as of June 1, 2020 (collectively, the “Indenture”), each by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). The 2020 Bonds mature on the dates and in the amounts referenced in the Indenture. The 2020 Bonds are dated their date of delivery and bear interest at the rates per annum referenced in the Indenture. The 2020 Bonds are registered in the form set forth in the Indenture.

Based on our examination as Bond Counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. The proceedings of the City show lawful authority for the issuance and sale of the 2020 Bonds under the laws of the State of California now in force, and the Indenture has been duly authorized, executed and delivered by the City. Assuming due authorization, execution and delivery by the Trustee, as appropriate, the 2020 Bonds and the Indenture are valid and binding obligations of the City enforceable against the City in accordance with their terms.

2. The Indenture creates a valid pledge of and lien and charge upon the Revenues and certain amounts held under the Indenture to secure the payment of the principal of and interest on the 2020 Bonds. The obligation of the City to make the payments of principal of and interest on the 2020 Bonds from Net Revenues (as such term is defined in the Indenture) is an enforceable obligation of the City and does not constitute an indebtedness of the City 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 2020 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 2020 Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a 2020 Bond (the first price at which a substantial amount of the 2020 Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such 2020 Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a 2020 Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a 2020 Bond owner will increase the 2020 Bond Owner's basis in the applicable 2020 Bond. The amount of original issue discount that accrues to the 2020 Bond Owner is excluded from the gross income of such Owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals or corporations and is exempt from State personal income tax.

6. The amount by which a 2020 Bond Owner's original basis for determining loss on sale or exchange in the applicable 2020 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 2020 Bond Owner's basis in the applicable 2020 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 2020 Bond premium may result in a 2020 Bond Owner realizing a taxable gain when a 2020 Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2020 Bond to the Owner. Purchasers of the 2020 Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the 2020 Bonds are based upon certain representations of fact and certifications made by the City and are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2020 Bonds to assure that such interest (and original issue discount) on the 2020 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 2020 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2020 Bonds. The City has covenanted to comply with all such requirements.

The opinions 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 ends as of the date of issuance of the 2020 Bonds. The Indenture and the Tax Certificate relating to the 2020 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 (and original issue discount) on the 2020 Bonds for federal income tax purposes with respect to any 2020 Bond 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 2020 Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, 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 and the 2020 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 of California.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the 2020 Bonds or other offering material relating to the 2020 Bonds and expressly disclaim any duty to advise the owners of the 2020 Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

## APPENDIX G

### BOOK-ENTRY ONLY SYSTEM

*The information in this Appendix G, concerning The Depository Trust Company, New York, New York (“DTC”), and DTC’s book-entry system, has been furnished by DTC for use in official statements and the Authority takes no responsibility for the completeness or accuracy thereof. The Authority cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of principal of or interest on the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix G. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (as used in this Appendix G, the “Securities”). The Securities 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 Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.



4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit the 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.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities 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 the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 paying agent or bond 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 nor its nominee, the paying agent or bond 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 paying agent or bond 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.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Authority or the paying agent or bond trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. 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, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

\$ \_\_\_\_\_  
**WHITTIER UTILITY AUTHORITY**  
**(LOS ANGELES COUNTY, CALIFORNIA)**  
**WATER REFUNDING REVENUE BONDS, SERIES 2020**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2020

Whittier Utility Authority  
c/o City of Whittier  
13230 Penn Street,  
Whittier, California 90602

City of Whittier  
13230 Penn Street,  
Whittier, California 90602

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the Whittier Utility Authority (the “**Authority**”) and the City of Whittier (the “**City**”) for the purchase by the Underwriter of the Whittier Utility Authority (Los Angeles County, California) Water Refunding Revenue Bonds, Series 2020 (the “**Bonds**”). This offer is made subject to the Authority’s and the City’s acceptance by execution of this Purchase Agreement and delivery of the same to the Underwriter on or before 11:59 p.m. Pacific Standard Time on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to such acceptance. Upon the Authority’s and the City’s acceptance hereof, the Purchase Agreement will be binding upon the Authority, the City and the Underwriter.

The Authority and the City acknowledge and agree that: (i) the purchase and sale of the Bonds (as hereinafter defined) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the Authority, the City, and the Underwriter; (ii) 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 agent or Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), and has not assumed any advisory or fiduciary responsibility in favor of the Authority or the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Authority or the City on other matters); (iii) the only obligations the Underwriter has to the Authority and the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; (iv) the Authority and the City have consulted their own legal, financial, accounting, tax and other advisors to the extent each has deemed appropriate; (v) the Underwriter has financial interests that differ from and may be adverse to those of the City and the Authority; and (vi) the Underwriter has provided the Authority and the City with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Authority and the City acknowledge and represent that they have engaged Ross Financial as their municipal advisor (as

defined in Securities and Exchange Commission Rule 15Ba1) and will rely on the financial advice of Ross Financial with respect to the Bonds.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein will have the respective meanings set forth for such terms in the Indenture (as hereinafter defined).

**Section 1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Agreement, the Underwriter agrees to purchase from the Authority, and the Authority agrees to sell and deliver to the Underwriter, all (but not less than all) of the Bonds at a purchase price of \$\_\_\_\_\_ (being an amount equal to the principal amount of the Bonds (\$\_\_\_\_\_), *plus* an original issue premium of \$\_\_\_\_\_, and *less* an underwriter's discount of \$\_\_\_\_\_). The obligation of the Underwriter to purchase, accept delivery of and pay for the Bonds will be conditioned on the sale and delivery of all of the Bonds by the Authority to the Underwriter at Closing (hereinafter defined).

**Section 2. Bond Terms; Purpose; Security.**

(a) Bond Terms and Authorization. The Bonds will be dated their date of delivery and will mature and bear interest as shown on Exhibit A. The Bonds will be as described in, and will be issued and secured under, an Indenture of Trust, dated as of November 1, 2012 (the "**Original Indenture**"), by and between the City and U.S. Bank National Association, as trustee (the "**Trustee**"), as supplemented by a First Supplemental Indenture of Trust, dated as of \_\_\_\_\_ 1, 2020 (the "**First Supplemental Indenture**"), by and between the Authority and the Trustee (as so supplemented, the "**Indenture**"). The Bonds are payable and subject to redemption as shown in Exhibit A.

The Bonds will be issued pursuant to Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with section 53570 thereof, the Authority Resolution (as hereinafter defined) and the City Resolution (as hereinafter defined).

(b) Purpose. Pursuant to that certain Lease Agreement (Water Enterprise), dated as of February 1, 2002, as amended (the "**Lease Agreement**"), by and between the City and the Authority, the City leased its municipal water enterprise (the "**Enterprise**") to the Authority and the Authority leased the Enterprise from the City.

The Authority is issuing the Bonds to provide funds to refund all of the outstanding Whittier Utility Authority Water Revenue Bonds, 2009 Series A (the "**2009 Bonds**") and pay costs incurred in connection with the issuance of the Bonds.

The 2009 Bonds were issued pursuant to an Indenture of Trust, dated as of October 1, 2009 (the "**2009 Indenture**"), by and between the City and U.S. Bank National Association, as trustee. The 2009 Bonds were issued as (i) bonds the interest on which is excluded from gross income for purposes of federal income taxation, and (ii) bonds designated as "Build America Bonds" ("**Build America Bonds**") under the provisions of the American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation. The payment of the principal of and interest on the 2009 Bonds is secured by a pledge of the net revenues derived from the operation of the Enterprise and, in the case of the 2009 Bonds issued as Build America Bonds, from cash subsidy payment from the United States Treasury.

In connection with the refunding of the 2009 Bonds, the Authority will cause a portion of the proceeds of the Bonds to be deposited into an escrow fund held by U.S. Bank National Association, as escrow agent (the “**Escrow Agent**”), pursuant to an Escrow Agreement, dated [June 2], 2020 (the “**Escrow Agreement**”), by and between the Authority and the Escrow Agent.

(c) Security. Under the Indenture, the Bonds will be secured by and payable from “**Pledged Net Revenues**” and amounts on deposit in certain funds and accounts established by the Indenture on a parity with the Authority’s Whittier Utility Authority Water Revenue Bonds, Series 2012 (Subordinate Lien) (the “**2012 Bonds**”). Pledged Net Revenues generally consists of revenues of the Enterprise less maintenance and operation costs, as more particularly described in the Indenture.

**Section 3. Public Offering.** The Underwriter agrees to make an initial bona fide public offering of all of the Bonds, at not in excess of the initial public offering yields or prices set forth on Exhibit A. Following the initial public offering of the Bonds, the offering prices may be changed from time to time by the Underwriter, provided that the Underwriter shall not change any of the principal amounts or the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Bonds are subject to redemption as set forth in Exhibit A.

**Section 4. Official Statement; Continuing Disclosure.** (a) The Authority and the City have delivered to the Underwriter the Preliminary Official Statement dated \_\_\_\_\_, 2020 (the “**Preliminary Official Statement**”) and will deliver to the Underwriter a final official statement dated the date of this Purchase Agreement (as amended and supplemented from time to time pursuant to Section 5(i) of this Purchase Agreement, the “**Official Statement**”). Subsequent to its receipt of the Authority’s and the City’s 15c2-12 Certificate, in substantially the forms attached hereto as Exhibit B, deeming the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, as amended (“**Rule 15c2-12**”), the Underwriter has distributed copies of the Preliminary Official Statement. The Authority and the City hereby ratify the use by the Underwriter of the Preliminary Official Statement and authorize the Underwriter to use and distribute in printed and/or electronic format the Official Statement (including all information previously permitted to have been omitted by Rule 15c2-12, and any supplements and amendments thereto as have been approved by the Authority and the City as evidenced by the execution and delivery of such document by an officer of the Authority and the City), the Indenture, the Escrow Agreement, this Purchase Agreement, the Continuing Disclosure Certificate (hereinafter defined), and all information contained therein, and all other documents, certificates and written statements furnished by the Authority and the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement, in connection with the offer and sale of the Bonds by the Underwriter.

The Underwriter hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB on or before the date of the Closing and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12. The Authority and the City agree to deliver to the Underwriter as many copies of the Official Statement as the Underwriter will reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12. The Authority and the City agree to deliver the final Official Statement within seven business days after the execution hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under Rule 15c2-12 and Rule G-32 of the MSRB.

(b) The Underwriter agrees to: (1) provide the Authority with final pricing information on the Bonds on a timely basis prior to the Closing and (2) take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and MSRB rules governing the offering, sale and delivery of the Bonds to ultimate purchasers.

(c) In connection with issuance of the Bonds, and in order to assist the Underwriter with complying with the provisions of Rule 15c2-12, the City will execute a Continuing Disclosure Certificate (the “**Continuing Disclosure Certificate**”) and acknowledged by Fieldman, Rolapp & Associates, Inc, doing business as Applied Best Practices, as Dissemination Agent, under which the City will undertake, on behalf of the Authority, to provide certain financial and operating data as required by Rule 15c2-12. The form of the Continuing Disclosure Certificate is attached as an appendix to the Preliminary Official Statement and will be attached as an appendix to the final Official Statement.

**Section 5. Representations, Warranties and Covenants of the Authority.** The Authority hereby represents, warrants and agrees with the Underwriter that:

(a) The Authority is a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “**State**”) and has all necessary power and authority to adopt the Authority Resolution (as hereinafter defined), to enter into and perform its duties under the Indenture, the Escrow Agreement, and this Purchase Agreement (the “**Authority Agreements**”) and, when executed and delivered by the respective parties thereto, each Authority Agreement will constitute legal, valid and binding obligation of the Authority enforceable in accordance with its respective terms.

(b) The Board of Directors (the “**Board**”) of the Authority has taken official action by a resolution adopted on \_\_\_\_\_, 2020 (the “**Authority Resolution**”) adopted by a majority of the members of the Board at a regular meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the Authority Agreements and the Official Statement and the taking of any and all such action as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated hereby.

(c) By all necessary official action, the Authority has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Bonds and the Authority Agreements, and the consummation by it of all other transactions contemplated by the Authority Resolution, the Authority Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by the respective parties thereto, the Authority Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the Authority, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) The statements and information contained in the Official Statement relating to the Authority and the Bonds (other than information relating to DTC and its book-entry only system) are correct and complete in all material respects, and the information contained in the Official

Statement (other than information relating to DTC and its book-entry only system) does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the Authority or, to the best knowledge of the Authority, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the Authority, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of Authority Agreements or the Bonds, or (iii) in any way question or affect the Authority Agreements or the transactions contemplated by the Authority Agreements, the Official Statement, or any other agreement or instrument to which the Authority is a party relating to the Bonds.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the Authority required for the execution and delivery of this Purchase Agreement or the consummation by the Authority of the other transactions contemplated by the Official Statement or the Authority Agreements.

(g) Any certificate signed by any official of the Authority authorized to do so will be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(h) Except as previously disclosed to the Underwriter, the Authority is not in default, and at no time has the Authority defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i)

(1) If between the date of this Purchase Agreement and the date which is 25 days following the End of the Underwriting Period (as defined below), any event will occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority will immediately notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. “**End of the Underwriting Period**” will mean the later of: (i) the date of the Closing, and (ii) the date 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, provided that unless the Underwriter notifies the Authority on or prior to the date of the Closing that it retains, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public, the End of the Underwriting Period will be deemed to have occurred on the date of the Closing.

(2) After the Closing, the Authority will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter reasonably objects in writing or which is disapproved by

Underwriter's Counsel (hereinafter defined). If any event relating to or affecting the Authority occurs as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Authority will use its best efforts to assist the Underwriter in preparing (at the expense of the Authority for 90 days after the date of the Closing, and thereafter at the expense of the Underwriter) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which 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 a purchaser, not misleading. For the purposes of this subsection, the Authority will furnish such information with respect to itself as the Underwriter may from time to time reasonably request.

(j) Except as disclosed in the Official Statement, the Authority has not previously failed to comply in all material respects with any undertakings under Rule 15c2-12 during the past five years.

(k) The Authority does not need the consent of its auditor to include its basic financial statements for the fiscal year ended June 30, 2019 as an appendix to the Official Statement.

(l) The Authority will comply with the defeasance and redemption provisions of the 2009 Indenture in connection with the refunding of all of the outstanding 2009 Bonds.

(m) The Authority covenants with the Underwriter that the Authority will cooperate with the Underwriter (at the cost and written directions of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdiction of the United States as the Underwriter may reasonably request; provided, however, that the Authority shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The Authority consents to the use by the Underwriter of the Authority Agreements, the Preliminary Official Statement and the Official Statement in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions related to the offering and sale of the Bonds.

**Section 6. Representations, Warranties and Covenants of the City.** The City hereby represents, warrants and agrees with 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 (the "**State**") and has all necessary power and authority to adopt its resolution adopted on \_\_\_\_\_, 2020 (the "**City Resolution**"), to enter into and perform its duties under the Continuing Disclosure Certificate and this Purchase Agreement (the "**City Agreements**") and, when executed and delivered by the respective parties thereto, the City Agreements will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms.

(b) The city council (the "**City Council**") of the City has taken official action by adopting the City Resolution by a majority of the members of the City Council at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the City Agreements and the Official Statement and the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated hereby.

(c) By all necessary official action, the City has duly adopted the City Resolution, has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the City Agreements, and the consummation by it of all other transactions contemplated by the City Resolution, the City Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by the respective parties thereto, the City Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) At the time of the City's acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, the information and statements in the Official Statement (other than any information concerning the Authority, the Depository Trust Company and the book-entry system for the Bonds or provided by the Underwriter) do not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the City or, to the best knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of City Agreements or the Bonds, or (iii) in any way question or affect the Purchase Agreement or the transactions contemplated by the Purchase Agreement, the Official Statement, or any other agreement or instrument to which the City is a party relating to the Bonds.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the City required for the execution and delivery of this Purchase Agreement or the consummation by the City of the other transactions contemplated by the Official Statement or the City Agreements.

(g) Any certificate signed by any official of the City authorized to do so will be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(h) Except as previously disclosed to the Underwriter, the City is not in default, and at no time has the City defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i)

(1) Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the City since June 30, 2018, and there has been no occurrence or circumstance or combination thereof that is reasonably expected to result in any such materially adverse change.



(2) If between the date of this Purchase Agreement and the date which is 25 days following the End of the Underwriting Period, any event will occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will immediately notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter.

(3) After the Closing, the City will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter reasonably objects in writing or which is disapproved by Underwriter's Counsel. If any event relating to or affecting the City occurs as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the City will use its best efforts to assist the Underwriter in preparing (at the expense of the City for 90 days after the date of the Closing, and thereafter at the expense of the Underwriter) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which 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 a purchaser, not misleading. For the purposes of this subsection, the City will furnish such information with respect to itself as the Underwriter may from time to time reasonably request.

(j) Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, the City has not previously failed to comply in all material respects with any undertakings under Rule 15c2-12 in the past five years. The report of Lumesis, Inc. dated April 16, 2020 (the "**Continuing Disclosure Due Diligence Report**") identifies all of the issues for which the Authority and the City were obligated to provide continuing disclosure under Rule 15c2-12 during the past five years and all of the material event filings that were required with respect to such issues during the five-year period.

(k) The City does not need the consent of its auditor to include basic financial statements of the Authority for the fiscal year ended June 30, 2019 as an appendix to the Official Statement.

(l) The City covenants with the Underwriter that the City will cooperate with the Underwriter (at the cost and written directions of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdiction of the United States as the Underwriter may reasonably request; provided, however, that the City shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The City consents to the use by the Underwriter of the City Agreements, the Preliminary Official Statement and the Official Statement in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions related to the offering and sale of the Bonds.

**Section 7. The Closing.** (a) At 8:30 A.M., Pacific Standard Time, on \_\_\_\_\_, 2020, or on such earlier or later time or date as may be agreed upon by the Underwriter, the Authority

and the City (the “**Closing**”), the Authority will deliver the Bonds to the Underwriter, through the book-entry system of The Depository Trust Company (“**DTC**”). Prior to the Closing, the Authority and the City will deliver, at the offices of Quint & Thimmig LLP (“**Bond Counsel**”) in Larkspur, California, or such other place as is mutually agreed upon by the Underwriter and the Authority, the other documents described in this Purchase Agreement. On the date of the Closing, the Underwriter will pay the purchase price of the Bonds as set forth in Section 1 of this Purchase Agreement in immediately available funds to the order of the Trustee.

(b) The Bonds will be issued in fully registered form and will be prepared and delivered as one Bond for each maturity registered in the name of a nominee of DTC. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto will constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Agreement.

**Section 8. Conditions to Underwriter’s Obligations.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein and to be contained in the documents and instruments to be delivered on the date of the Closing, and upon the performance by the Authority and the City of their respective obligations to be performed hereunder and under such documents and instruments to be delivered at or prior to the date of the Closing. The Underwriter’s obligations under this Purchase Agreement are and will also be subject to the sale, issuance and delivery of the Bonds as well as the following conditions:

(a) The representations and warranties of the Authority and the City contained in this Agreement will be true and correct in all material respects on the date of this Purchase Agreement and on and as of the date of the Closing as if made on the date of the Closing;

(b) As of the date of the Closing, the Official Statement may not have been amended, modified or supplemented, except in any case as may have been agreed to by the Underwriter;

(c) (i) As of the date of the Closing, the Authority Resolution, the City Resolution, the Authority Agreements and the City Agreements will be in full force and effect, and will not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter, (ii) the Authority will perform or have performed all of its obligations required under or specified in the Authority Resolution, the Authority Agreements and this Purchase Agreement to be performed at or prior to the date of the Closing; and (iii) the City will perform or have performed all of its obligations required under or specified in the City Resolution, the City Agreements and this Purchase Agreement to be performed at or prior to the date of the Closing;

(d) As of the date of the Closing, all necessary official action of the Authority relating to the Authority Agreements, the Authority Resolution and the Official Statement, and all necessary official action of the City relating to the City Agreements, the City Resolution, and the Official Statement, will have been taken and will be in full force and effect and will not have been amended, modified or supplemented in any material respect, except as may have been agreed to by the City and Underwriter; and

(e) As of or prior to the date of the Closing, the Underwriter will have received each of the following documents:

(1) Certified copies of the Authority Resolution and the City Resolution.

(2) Duly executed copies of the Lease Agreement, Original Indenture, the First Supplemental Indenture, the Escrow Agreement, the Continuing Disclosure Certificate, and this Purchase Agreement.

(3) The Preliminary Official Statement and the Official Statement, with the Official Statement duly executed on behalf of the Authority and the City.

(4) An approving opinion of Bond Counsel, dated as of the Closing, as to the validity of the Bonds, the exclusion of interest on the Bonds from federal gross income, and the exclusion of interest on the Bonds from State income taxation addressed to the Authority and the City substantially in the form attached as an appendix to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter and the Trustee.

(5) A supplemental opinion of Bond Counsel, addressed to the Underwriter, to the effect that:

(i) The Purchase Agreement has been duly executed and delivered by the Authority and the City, and the Escrow Agreement have been duly executed by the Authority, and are valid and binding upon the Authority and the City to the extent they are party to such agreements, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(ii) The Continuing Disclosure Certificate has been duly executed and delivered by the City and is valid and binding upon the City, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(iii) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(iv) The statements contained in the Official Statement on the cover and under the headings "INTRODUCTION," "THE FINANCING PLAN," "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," "CERTAIN LEGAL MATTERS," in "APPENDIX A – SUMMARY OF THE INDENTURE," and "APPENDIX F – FORM OF BOND COUNSEL OPINION," insofar as such statements purport to describe certain provisions of the Bonds, the Indenture, and the Escrow Agreement, or to state legal conclusions and the opinion of Bond Counsel regarding the tax-exempt nature of the Bonds, present a fair and accurate summary of the provisions thereof.

(6) An opinion of Quint & Thimmig LLP, as disclosure counsel to the Authority, addressed to the Underwriter, to the effect that: We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as disclosure counsel to the Authority, we have reviewed certain documents as described above and have participated in conferences during which the contents of the Preliminary Official Statement and the

Official Statement and related matters were discussed. Based on our review of documents and our participation in the above-mentioned conferences, and with the assumptions described in the second preceding paragraph, we advise you that, during the course of our assistance in the preparation of the Preliminary Official Statement and the Official Statement, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such representation that caused us to believe that the Preliminary Official Statement and the Official Statement, as of their date and as of the date of this letter contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that we express no opinion or belief with respect to: (i) the expressions of opinion, the assumptions, the projections, the financial statements or other financial, numerical, economic, demographic or statistical data contained in the Preliminary Official Statement and the Official Statement, (ii) any CUSIP numbers or information relating thereto contained in the Preliminary Official Statement and the Official Statement, (iii) any information contained in the appendices to the Preliminary Official Statement and the Official Statement, (iv) any information with respect to the Depository Trust Company and its book entry system for the Bonds contained or incorporated in the Preliminary Official Statement and the Official Statement, (v) any information incorporated by reference into the Preliminary Official Statement and the Official Statement, (vi) information with respect to the rating on the Bonds and the rating agency referenced in the Preliminary Official Statement and the Official Statement, and (vii) compliance by the City with its obligations to provide notices of the events described in Part (b)(5)(i)(C) of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule") or to file annual reports described in Part (b)(5)(i)(A) of the Rule, which compliance we have not reviewed pursuant to your direction).

(7) An opinion or opinions of Jones & Mayer, as City Attorney and Authority Counsel, dated as of the Closing addressed to the Authority, the City, the Trustee and the Underwriter, in form and substance acceptable to the Underwriter, to the effect that:

(i) The City is a municipal corporation duly organized and existing by virtue of the general laws of the State. The City Council is the governing body of the City.

(ii) The City has all necessary power and authority to adopt the City Resolution, to enter into and perform its duties under the City Agreements, and, when executed and delivered by the respective parties thereto, the City Agreements will each constitute a legal, valid and binding obligation of the City enforceable in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, moratorium and the exercise of equitable principles where equitable remedies are sought.

(iii) The City Resolution was duly adopted at a meeting of the City Council, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the City Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

(iv) The execution and delivery by the City of the City Agreements, the Official Statement and the other instruments contemplated by any of such

documents to which the City is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound in a manner which could materially adversely affect the City's performance under the City Agreements.

(v) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which could materially adversely affect, the performance by the City of its obligations under the City Agreements have been obtained and are in full force and effect.

(vi) To the best of the City Attorney's knowledge, after due inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the City (A) affecting the existence of the City or the titles of its City Council members or its officers to their respective offices, (B) seeking to restrain or to enjoin the issuance or sale of the Bonds, (C) in any way contesting or affecting the validity or enforceability of the City Resolution or the City Agreements, (D) in any way contesting the powers of the City to issue or sell the Bonds or its authority with respect to the City Resolution or the City Agreements, or (E) in any way questioning the accuracy of the statements in the Preliminary Official Statement or the Official Statement.

(vii) The Authority is a joint exercise of powers authority organized and validly existing under the laws of the State. The Board of Directors of the Authority is the governing body of the Authority.

(viii) The Authority has all necessary power and authority to adopt the Authority Resolution, to enter into and perform its duties under the Authority Agreements and, when executed and delivered by the respective parties thereto, the Authority Agreements will each constitute legal, valid and binding obligation of the Authority enforceable in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, moratorium and the exercise of equitable principles where equitable remedies are sought.

(ix) The Authority Resolution was duly adopted at a regular meeting of the Authority's Board of Directors, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the Authority Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

(x) To the best of the City Attorney's knowledge, after due inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Authority (A) affecting the existence of the Authority or the titles of its Board members or its officers to their respective offices, (B) seeking to restrain or to enjoin the issuance

or sale of the Bonds, (C) in any way contesting or affecting the validity or enforceability of the Authority Resolution or the Authority Agreements, (D) in any way contesting the powers of the Authority to issue or sell the Bonds or its authority with respect to the Authority Resolution or the Authority Agreements, (E) in any way contesting or affecting any of the rights, powers, duties or obligations of the Authority with respect to the money or property pledged or to be pledged under the Indenture or (F) in any way questioning the accuracy of the statements in the Preliminary Official Statement or the Official Statement.

(xi) The execution and delivery by the Authority of the Authority Agreements, the Official Statement and the other instruments contemplated by any of such documents to which the Authority is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound in a manner which would materially adversely affect the Authority's performance under the Authority Agreements.

(xii) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Authority of its obligations under the Authority Agreements have been obtained and are in full force and effect.

(8) A letter of Jones Hall, A Professional Law Corporation ("**Underwriter's Counsel**"), addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(9) Executed certificates of the Authority and the City, dated as of the date of the Preliminary Official Statement, in the forms attached as Exhibit B.

(10) An executed closing certificate of the Authority, dated as of the Closing, in the form attached as Exhibit C.

(11) An executed closing certificate of the City, dated as of the Closing, in the form attached as Exhibit D.

(12) The opinion of counsel to U.S. Bank National Association ("**U.S. Bank**"), as Trustee and Escrow Agent, dated as of the Closing, addressed to the Authority, the City and the Underwriter to the effect that:

(i) U.S. Bank is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization, and has the corporate power to execute and deliver, and to perform its obligations under, the Indenture.

(ii) The Indenture and the Escrow Agreement have been duly authorized, executed and delivered by U.S. Bank, and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture and the Escrow Agreement constitute the valid and legally binding agreement of U.S. Bank enforceable in accordance with their respective terms, subject to laws relating in bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought.

(13) A certificate of U.S. Bank, as Trustee and Escrow Agent, dated as of the Closing, in the form attached as Exhibit E.

(14) A tax certificate duly signed on behalf of the Authority in form and substance acceptable to Bond Counsel and the Underwriter.

(15) Evidence of required filings with the California Debt and Investment Advisory Commission.

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

(17) Evidence that the Bonds have received the ratings described in the Official Statement.

(18) A defeasance opinion of Bond Counsel, in form and substance acceptable to the Underwriter, relating to the 2009 Bonds.

(19) A copy of the Continuing Disclosure Due Diligence Report.

(20) A certificate of Ross Financial, as municipal advisor, in substantially the form attached hereto as Exhibit F.

(21) A certificate of the Authority, dated the date of the Closing, confirming that the conditions for the issuance of the Bonds on a parity with the 2012 Bonds set forth in Section 6.08(b) of the Original Indenture have been satisfied in connection with the issuance of the Bonds as of such date.

(22) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Authority and the City with legal requirements, the truth and accuracy, as of the date of the Closing, of the representations of the Authority and the City herein contained and of the Official Statement and the due performance or satisfaction by the Authority and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the City.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Agreement will be deemed to be in compliance with the provisions of this Purchase Agreement if, but only if, they are in form and substance satisfactory to the Underwriter. If the Authority and the City are unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds

will be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement will terminate and neither the Underwriter, the Authority nor the City will be under further obligations hereunder, except that the respective obligations of the Authority, the City and the Underwriter set forth in Section 12 of this Purchase Agreement will continue in full force and effect.

**Section 9. Conditions to Authority's and City's Obligations.** The performance by the Authority and the City of their respective obligations under this Purchase Agreement are conditioned upon: (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the Authority and the City of opinions addressed to the Authority and the City, and receipt by the Underwriter of opinions addressed to the Underwriter, and the delivery of certificates being delivered on the date of the Closing by persons and entities other than the Authority and the City.

**Section 10. Establishment of Issue Price.**

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing 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 Authority and Bond Counsel, 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 attached hereto, 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. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority 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 Authority 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 has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that the Underwriter's reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(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 attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, 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 Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow 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:



- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) 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 will advise the Authority promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether 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.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party 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 third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group 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 that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges 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 third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) 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 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 third-party 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) more than 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), (B) 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 (C) 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 11. Termination Events.** The Underwriter will have the right to terminate the Underwriter’s obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority and the City of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(a) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State by the Governor of the State in an executive communication, affecting the tax status of the Authority or the City, its property or income, its bonds (including the Bonds) or the interest thereon or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended;

(b) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak of hostilities occurs, or a local, national or international calamity or crisis occurs, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(c) there occurs a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction;

(d) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission is issued or made to the effect that the issuance, offering or sale of the Bonds is or would be in violation of any provision of the Securities Act of 1933, as then in effect, or of the Securities Exchange Act of 1934, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(e) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America is rendered, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the obligations of the general character of the Bonds, including the Bonds, are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(f) in the reasonable judgment of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be materially and adversely affected because additional material restrictions not in force as of the date hereof is imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, or financial responsibility requirements of the Underwriter;

(h) a general banking moratorium is established by federal, New York or State authorities;

(i) any legislation, ordinance, rule or regulation is introduced in or be enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the opinion of the Underwriter, after consultation with the Authority and the City, materially adversely affects the market price of the Bonds;

(j) any federal or California court, authority or regulatory body takes action materially and adversely affecting the payment or receipt of the principal and interest on the Bonds;

(k) any withdrawal, downgrading or placement on credit watch negative of any underlying rating of any securities of the Authority or the City by a national municipal bond rating agency that, in the opinion of the Underwriter, adversely affects the market price of the Bonds;

(l) an event occurs which in the reasonable opinion of the Underwriter requires a supplement or amendment to the Official Statement and: (i) the City or the Authority refuses to prepare and furnish such supplement or amendment; or (ii) in the reasonable judgment of the Underwriter, the occurrence of such event materially and adversely affects the marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(m) additional material restrictions that are 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; or

(n) the commencement of any action, suit or proceeding that is described in Section 7(vi) and (x).

**Section 12. Payment of Expenses.** (a) The Underwriter will be under no obligation to pay, and the Authority and/or the City will pay the following expenses incident to the performance of the Authority's and the City's obligations hereunder:

(i) the fees and disbursements of the Authority's municipal advisor and of Bond Counsel and Disclosure Counsel;

(ii) the cost of printing and delivering the Bonds, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to Sections 5 and 6 of this Purchase Agreement);

(iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the Authority or the City; and

(iv) any other expenses and costs of the Authority and the City incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Bonds, including out-of-pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(b) The City and the Authority will be under no obligation to pay, and the Underwriter will pay, any fees of the California Debt and Investment Advisory Commission, the cost of obtaining CUSIP numbers, the cost of preparation of any “blue sky” or legal investment memoranda and this Purchase Agreement; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of Underwriter’s Counsel, meals, transportation and lodging (but not entertainment expenses), and any advertising expenses in connection with the public offering of the Bonds.

**Section 13. Notices.** Any notice or other communication to be given to the Authority or the City under this Purchase Agreement may be given by delivering the same in writing to the Authority and the City at the addresses set forth on the first page of this Purchase Agreement, and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Sara Brown.

**Section 14. Survival of Representations, Warranties, Agreements.** All of the Authority’s and the City’s representations, warranties and agreements contained in this Purchase Agreement will remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriter; or (b) delivery of and payment for the Bonds pursuant to this Purchase Agreement. The agreements contained in this Section and in Section 12 will survive any termination of this Purchase Agreement.

**Section 15. Benefit; No Assignment.** This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including its successors and assigns), and no other person will acquire or have any right hereunder or by virtue hereof. The rights and obligations created by this Purchase Agreement are not subject to assignment by the Underwriter, the Authority or the City without the prior written consent of the other parties hereto.

**Section 16. Severability.** In the event that any provision of this Purchase Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Purchase Agreement.

**Section 17. Counterparts.** This Purchase Agreement may be executed in any number of counterparts, all of which taken together will constitute one agreement, and any of the parties hereto may execute the Purchase Agreement by signing any such counterpart.

**Section 18. Governing Law.** This Purchase Agreement will be governed by the laws of the State.

**Section 19. Effectiveness.** This Purchase Agreement will become effective upon the execution of the acceptance hereof by an authorized officer of the Authority and the City, and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**, as Underwriter

By: \_\_\_\_\_  
Authorized Officer

Accepted:

**WHITTIER UTILITY AUTHORITY**

By: \_\_\_\_\_  
Authorized Representative

Time of Execution: \_\_\_\_\_ California Time

**CITY OF WHITTIER**

By: \_\_\_\_\_  
Authorized Representative

Time of Execution: \_\_\_\_\_ California Time

## EXHIBIT A

### MATURITY SCHEDULE

<u>Maturity (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
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T: Term Bond.

C: Priced to optional redemption date of June 1, 20\_\_, at par.

\* At the time of execution of this Purchase Agreement and assuming orders are confirmed immediately after the execution of this Purchase Agreement.

#### REDEMPTION\*

**Optional Redemption.** The Bonds maturing on or before June 1, 20\_\_, are not subject to optional redemption prior to maturity. The Bonds maturing on or after June 1, 20\_\_, are subject to redemption prior to their respective maturity dates, at the option of the Authority, as a whole or in part, in such order of maturity as shall be selected by the Authority (or in inverse order of maturity if the Authority shall fail to select a particular order) and by lot within a maturity, on any date on or after June 1, 20\_\_, from any source of available funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

**Mandatory Sinking Fund Redemption.** The Bonds maturing on June 1, \_\_20 (the “**Term Bonds**”) are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on June 1, 20\_\_, and on each June 1 thereafter to and including June 1, 20\_\_, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; provided, however, that if some but not all of the Term Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the Term Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the Authority with the Trustee.

***Sinking Account  
Redemption Date  
(June 1)***

***Principal Amount  
to be Redeemed***

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\* Maturity.



**EXHIBIT B**

**[To be attached]**

**EXHIBIT C**

**\$ \_\_\_\_\_  
WHITTIER UTILITY AUTHORITY  
(LOS ANGELES COUNTY, CALIFORNIA)  
WATER REFUNDING REVENUE BONDS, SERIES 2020**

**CLOSING CERTIFICATE OF THE AUTHORITY**

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the Whittier Utility 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 representations, warranties and covenants of the Authority contained in the Bond Purchase Agreement dated \_\_\_\_\_, 2020, among the Authority, the City of Whittier and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Purchase Agreement"), are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(ii) The Authority Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented.

(iii) The Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) Subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the Authority, whether or not arising in the ordinary course of the operations of the Authority, as described in the Official Statement.

(v) The Preliminary Official Statement as of its date and the date of the Purchase Agreement and the Official Statement as of its date and the date of the Closing (other than any information it contains concerning The Depository Trust Company and the book-entry system for the Bonds or provided by the Underwriter) do not contain any untrue or misleading statement of a material fact and do not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given in the Bond Purchase Agreement.

Dated:

**WHITTIER UTILITY AUTHORITY**

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT D**

**\$ \_\_\_\_\_**  
**WHITTIER UTILITY AUTHORITY**  
**(LOS ANGELES COUNTY, CALIFORNIA)**  
**WATER REFUNDING REVENUE BONDS, SERIES 2020**

**CLOSING CERTIFICATE OF THE CITY**

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Whittier (the "City"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City as follows:

(i) The representations, warranties and covenants of the City contained in the Bond Purchase Agreement dated \_\_\_\_\_, 2020, among the City, the Whittier Utility Authority and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Purchase Agreement"), are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(ii) The City Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented.

(iii) The City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) Subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the City, whether or not arising in the ordinary course of operations, as described in the Official Statement.

(v) The Preliminary Official Statement as of its date and the date of the Purchase Agreement and the Official Statement as of its date and the date of the Closing (other than any information it contains concerning The Depository Trust Company and the book-entry system for the Bonds or provided by the Underwriter) do not contain any untrue or misleading statement of a material fact and do not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given in the Purchase Agreement.

Dated:

**CITY OF WHITTIER**

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT E**

**\$ \_\_\_\_\_  
WHITTIER UTILITY AUTHORITY  
(LOS ANGELES COUNTY, CALIFORNIA)  
WATER REFUNDING REVENUE BONDS, SERIES 2020**

**CLOSING CERTIFICATE OF  
U.S. BANK NATIONAL ASSOCIATION**

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of U.S. Bank National Association (“U.S. Bank”), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of U.S. Bank as follows:

(i) U.S. Bank has all necessary power to enter into the following documents: (i) the First Supplemental Indenture of Trust, dated as of \_\_\_\_\_ 1, 2020 (the “First Supplemental Indenture”), by and between the Authority and U.S. Bank, which supplements and amends the Indenture of Trust, dated as of November 1, 2012 (the “Original Indenture”), by and between the City and U.S. Bank; and (ii) an Escrow Agreement, dated [June 2], 2020, by and between the Authority and U.S. Bank, as escrow agent, relating to the 2009 Bonds;

(ii) The Indenture, the First Supplemental Indenture, and the Escrow Agreement (collectively, the “Documents”) have been duly authorized, executed and delivered by U.S. Bank, and the Documents each constitute the legal, valid and binding obligation of U.S. Bank enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles, if equitable remedies are sought;

(iii) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over U.S. Bank that has not been obtained is or will be required for the execution and delivery of the First Supplemental Indenture and the Escrow Agreement or the performance by U.S. Bank of its duties and obligations under the Documents;

(iv) The execution and delivery by U.S. Bank of the First Supplemental Indenture and the Escrow Agreement and compliance with the terms of the Documents will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which U.S. Bank is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over U.S. Bank or any of its activities or properties (except that no representation, warranty or agreement need be made by such counsel with respect to any federal or State securities or blue sky laws or regulations); and

(v) To the best knowledge of U.S. Bank, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending, or threatened against U.S. Bank which in the reasonable judgment of U.S. Bank would affect the existence of U.S. Bank or in any way contesting or affecting the validity or enforceability of the Documents or contesting the powers of U.S. Bank or its authority to enter into and perform its obligations thereunder.

Capitalized terms used but not defined herein have the meanings given in the Bond Purchase Agreement dated \_\_\_\_\_, 2020, among the City, the Authority and Stifel, Nicolaus & Company, Incorporated, as underwriter.

Dated:

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee and Escrow Agent

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT F**

**\$ \_\_\_\_\_  
WHITTIER UTILITY AUTHORITY  
(LOS ANGELES COUNTY, CALIFORNIA)  
WATER REFUNDING REVENUE BONDS, SERIES 2020**

**CERTIFICATE OF MUNICIPAL ADVISOR**

The undersigned hereby states and certifies:

(i) that the undersigned is an authorized officer of Ross Financial (the "Municipal Advisor"), which has acted as municipal advisor to the Whittier Utility Authority (the "Authority") in connection with the issuance of the above-referenced bonds (the "Bonds"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(ii) that the Municipal Advisor has reviewed the Preliminary Official Statement dated \_\_\_\_\_, 2020 and the final Official Statement dated \_\_\_\_\_, 2020 (the "Official Statement") relating to the Bonds; and

(iii) that nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Preliminary Official Statement as of the date of the pricing of the Bonds or its date or the Official Statement as of its date or the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Dated:

ROSS FINANCIAL,  
*as Municipal Advisor*

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT G

\$ \_\_\_\_\_  
WHITTIER UTILITY AUTHORITY  
(LOS ANGELES COUNTY, CALIFORNIA)  
WATER REFUNDING REVENUE BONDS, SERIES 2020

ISSUE PRICE CERTIFICATE

1. The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) **Bond Purchase Agreement**. On \_\_\_\_\_, 2020 (the “Sale Date”), Stifel, the City of Whittier and the Issuer executed a Bond Purchase Agreement (the “Purchase Agreement”) in connection with the sale of the Bonds. Stifel has not modified the Purchase Agreement since its execution on the Sale Date.
2. **Price.**
  - (a) As of the date of this Certificate, for each [Maturity] [[of the General Rule Maturities] of the Bonds, the first price at which at least 10% of each such Maturity of the Bonds was sold to the Public (the “10% Test”) was the respective price for such Maturity listed in **Schedule A** attached hereto.
  - (b) [Stifel 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**.
  - (c) As set forth in the Bond Purchase Agreement, Stifel 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 retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) 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.]
  - (d) [**\*\* With respect to each of the General Rule Maturities of the Bonds:**
    - (1) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any single price.
    - (2) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices listed on the attached **Schedule A** as the “Reasonably Expected Sale Prices for Undersold Maturities.”

- (3) Stifel will provide actual sales information (substantially similar to the information contained on **Schedule B**) as to the price at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.
- (4) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as **Schedule C** with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date. \*\*]

### 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 (\_\_\_\_\_, 2020), or (ii) the date on which Stifel 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 Whittier Utility 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) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (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 retail distribution agreement participating in the initial sale of the Bonds to the Public).
4. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’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 with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated \_\_\_\_\_, 2020 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, 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 from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By: \_\_\_\_\_  
Managing Director

By: \_\_\_\_\_  
Director

Dated: \_\_\_\_\_, 2020

SCHEDULE A  
TO  
ISSUE PRICE CERTIFICATE

[Schedules to be updated at pricing in the event there are Hold-the-Offering-Price-Maturities]

Actual Sales Information as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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\*\*Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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[\*\*SCHEDULE B  
TO  
ISSUE PRICE CERTIFICATE

**Actual Sales for Undersold Maturities as of the Closing Date**

<b><u>Maturity/CUSIP</u></b>	<b><u>Date Sold</u></b>	<b><u>Time Sold</u></b>	<b><u>Par Amount</u></b>	<b><u>Sale Price</u></b>
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[\*\*SCHEDULE C  
TO  
ISSUE PRICE CERTIFICATE

**SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER**

\$ \_\_\_\_\_  
**WHITTIER UTILITY AUTHORITY  
(LOS ANGELES COUNTY, CALIFORNIA)  
WATER REFUNDING REVENUE BONDS, SERIES 2020**

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Issue Price.***

- (a) Stifel sold at least 10% of the \_\_\_\_\_ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the “10% Test”). With respect to each of the \_\_\_\_\_ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of the Closing Date (the “Undersold Maturities”).
- (b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on **Exhibit A** attached hereto.

2. ***Defined Terms.***

- (a) “*Issuer*” means the Whittier Utility Authority.
- (b) “*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.
- (c) “*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.
- (d) “*Underwriter*” means (1) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) 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 retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’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 with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated \_\_\_\_\_, 2020 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, 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 from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By: \_\_\_\_\_  
[Title]

By: \_\_\_\_\_  
[Title]

Dated: \_\_\_\_\_, 2020

EXHIBIT A  
TO  
SUPPLEMENTAL ISSUE PRICE CERTIFICATE\*\*]

**ESCROW AGREEMENT**

**by and between the**

**WHITTIER UTILITY AUTHORITY**

**and**

**U.S. BANK NATIONAL ASSOCIATION, as Escrow Bank**

**Dated June \_\_, 2020**

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**Relating to  
Whittier Utility Authority  
Water Revenue Bonds, 2009 Series A**

## ESCROW AGREEMENT

This ESCROW DEPOSIT AGREEMENT is dated June \_\_, 2020, by and between the WHITTIER UTILITY AUTHORITY, a joint exercise of powers entity organized and existing under the constitution and laws of the State of California (the “Authority”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow bank (the “Escrow Bank”);

### WITNESSETH:

WHEREAS, the Authority has heretofore authorized, issued and sold its Whittier Utility Authority Water Revenue Bonds, 2009 Series A (the “2009 Bonds”), for the purpose of financing certain improvements to the City of Whittier’s (the “City”) water production and distribution enterprise (the “Enterprise”), pursuant to an Indenture of Trust, dated as of October 1, 2009 (the “2009 Indenture”), by and between the Authority and U.S. Bank National Association, as trustee (the “2009 Trustee”);

WHEREAS, pursuant to that certain Lease Agreement (Water Enterprise), dated as of February 1, 2002 (the “Lease Agreement”), by and between the City and the Authority, the City leased the Enterprise to the Authority and the Authority leased the Enterprise from the City;

WHEREAS, pursuant to the Lease Agreement, the Authority assumed all rights and obligations with respect to the Enterprise;

WHEREAS, Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the “Refunding Bond Law”) authorizes the Authority to issue refunding bonds for the purpose of refunding obligations of the Authority;

WHEREAS, the Authority, after due investigation and deliberation, has determined that it is in the interests of the Authority at this time to provide for the issuance of bonds to, among other things, to redeem all of the outstanding 2009 Bonds on June \_\_, 2020 (the “Redemption Date”) and, to that end, the Board of Directors of the Authority, on May 12, 2020, adopted its Resolution No. WUA-2020-01 approving and authorizing the issuance of its Whittier Utility Authority, Water Refunding Revenue Bonds, Series 2020 (the “2020 Bonds”) for such purposes pursuant to an Indenture of Trust, dated as of November 1, 2012, as amended and supplemented by a First Supplemental Indenture of Trust, dated as of June 1, 2020 (collectively, the “Indenture”) each, by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”);

WHEREAS, the 2009 Indenture provides that in the event that the Authority deposits, or causes the deposit on its behalf of, with the 2009 Trustee, at or before maturity, money or Defeasance Obligations (as defined in the 2009 Indenture, and which may include direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same) the principal of and interest on which when due will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the 2009 Bonds to be paid or redeemed, then the 2009 Indenture and the pledge of Net Revenues (as defined in the 2009 Indenture) and other assets made under the 2009 Indenture and all covenants, agreements and other obligations of the Authority under the 2009 Indenture shall cease, terminate, become void and be completely discharged and satisfied, except as provided in the 2009 Indenture;



WHEREAS, the Authority proposes to make the deposit of money and to appoint the Escrow Bank as its agent for the purpose of applying said deposit to the redemption of the 2009 Bonds on the Redemption Date at a redemption price equal to the outstanding principal amount of the 2009 Bonds plus accrued interest to such date and the Escrow Bank desires to accept said appointment;

WHEREAS, the Authority wishes to make such a deposit with the Escrow Bank and to enter into this Escrow Agreement for the purpose of providing the terms and conditions for the deposit and application of amounts so deposited; and

WHEREAS, the Escrow Bank has full powers to act with respect to the irrevocable escrow created herein and to perform the duties and obligations to be undertaken pursuant to this Escrow Agreement.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises and covenants herein contained and for other valuable consideration, the parties hereto do hereby agree as follows:

**Section 1. Definition of Defeasance Obligations.** As used herein, the term “Defeasance Obligations” shall mean direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same.

**Section 2. Appointment of Escrow Bank.** The Authority hereby appoints the Escrow Bank as escrow bank for all purposes of this Escrow Agreement and in accordance with the terms and provisions of this Escrow Agreement, and the Escrow Bank hereby accepts such appointment.

**Section 3. Establishment of Escrow Fund.** There is hereby created by the Authority with, and to be held by, the Escrow Bank, as security for the payment of the principal of and interest on the outstanding 2009 Bonds as hereinafter set forth, an irrevocable escrow to be maintained by the Escrow Bank on behalf of the Authority and for the benefit of the owners of the outstanding 2009 Bonds, said escrow to be designated the “Escrow Fund.” All moneys deposited in the Escrow Fund shall be held as a special fund for the redemption of the outstanding 2009 Bonds on the Redemption Date in accordance with the provisions of the 2009 Indenture.

If at any time the Escrow Bank shall receive actual knowledge that the moneys in the Escrow Fund will not be sufficient to make any payment required by Section 5 hereof, the Escrow Bank shall notify the Authority of such fact and the Authority shall immediately cure such deficiency.

**Section 4. Deposit into Escrow Fund; Investment of Amounts.**

(a) Concurrently with delivery of the 2020 Bonds, the Authority shall cause to be transferred to the Escrow Bank for deposit into the Escrow Fund the amount of \$7,018,129.47 in immediately available funds, derived as follows:

(i) \$\_\_\_\_\_ from the proceeds of sale of the 2020 Bonds; and

(ii) \$\_\_\_\_\_ from amounts on deposit in the bond reserve fund established for the 2009 Bonds (the “2009 Reserve Fund”);

(b) The Escrow Bank shall hold all amounts deposited in the Escrow Fund in cash, uninvested solely for the uses and purposes set forth herein.

(c) The Escrow Bank shall not be liable or responsible for any loss resulting from its full compliance with the provisions of this Escrow Agreement.

(d) Any money left on deposit in the Escrow Fund after payment in full of the 2009 Bonds, and the payment of all amounts due to the Escrow Bank hereunder, shall be paid to the Trustee for deposit in the Bond Fund created under the Indenture.

**Section 5. Instructions as to Application of Deposit.**

(a) The Authority hereby irrevocably directs and instructs the Escrow Bank to apply the cash in the Escrow Fund to redeem all outstanding 2009 Bonds prior to maturity on the Redemption Date, as more particularly set forth in Exhibit A attached hereto and hereby made a part hereof.

(b) The Escrow Bank, in its capacity as 2009 trustee, has been previously requested to give notice of the redemption of the 2009 Bonds on the Redemption Date in accordance with the applicable provisions of the 2009 Indenture, and the Escrow Bank, in its capacity as 2009 Trustee, has done so.

**Section 6. Application of Prior Funds.** On the date of deposit of amounts in the Escrow Fund pursuant to Section 4, the Escrow Bank, as 2009 Trustee, is hereby directed to withdraw all amounts on deposit in the 2009 Reserve Fund (\$ \_\_\_\_\_) and transfer such sum into the Escrow Fund.

Any amounts remaining in any fund or account created with respect to the 2009 Bonds, including interest earnings received by the 2009 Trustee, shall, after payment of all fees and expenses of the 2009 Trustee, be paid to the Trustee for deposit in the Bond Fund created under the Indenture.

**Section 7. Application of Certain Terms of 2009 Indenture.** All of the terms of the 2009 Indenture relating to the making of payments of principal and interest with respect to the 2009 Bonds are incorporated in this Escrow Agreement as if set forth in full herein. The provisions of the 2009 Indenture relating to the indemnifications, limitations from liability and protections afforded the 2009 Trustee and the resignation and removal of the 2009 Trustee are also incorporated in this Escrow Agreement as if set forth in full herein and shall be the procedure to be followed with respect to any resignation or removal of the Escrow Bank hereunder.

**Section 8. Compensation to Escrow Bank.** The Authority shall pay the Escrow Bank full compensation for its duties under this Escrow Agreement, including out-of-pocket costs such as publication costs, prepayment or redemption expenses, legal fees and other costs and expenses relating hereto and, in addition, fees, costs and expenses relating to the purchase of any defeasance obligations after the date hereof, pursuant to a separate agreement between the Authority and the Escrow Bank. Under no circumstances shall amounts deposited in the Escrow Fund be deemed to be available for said purposes. The Escrow Bank acknowledges that it has no lien on or right of setoff with respect to moneys in the Escrow Fund.

**Section 9. Liabilities and Obligations of Escrow Bank.** The Escrow Bank shall have no obligation to make any payment or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the Authority shall have deposited sufficient funds with the Escrow Bank. The Escrow Bank may rely and shall be protected in acting

upon the written instructions of the Authority or its agents relating to any matter or action as Escrow Bank under this Escrow Agreement.

The Escrow Bank undertakes such duties as specifically set forth herein and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Bank.

The Authority hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and hold harmless the Escrow Bank and its respective successors, assigns, agents and servants from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Bank (whether or not also indemnified against by any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this Escrow Agreement, the establishment of the Escrow Fund, the retention of the moneys therein and any payment, transfer or other application of moneys or securities by the Escrow Bank in accordance with the provisions of this Escrow Agreement, or as may arise by reason of any act, omission or error of the Escrow Bank made in good faith in the conduct of its duties under this Escrow Agreement; provided, however, that the Authority shall not be required to indemnify the Escrow Bank against its own negligence or misconduct. The indemnities contained in this Section shall survive the termination of this Escrow Agreement.

**Section 10. Amendment.** This Escrow Agreement may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the owners of one hundred percent (100%) in aggregate principal amount of the 2009 Bonds then outstanding shall have been filed with the Escrow Bank; *provided, however,* this Escrow Agreement may be modified or amended at any time by a supplemental agreement, without the consent of any such owners, but only (1) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein or therein reserved to the Authority, (2) to cure, correct or supplement any ambiguous or defective provision contained herein, (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which, in the opinion of counsel, shall not adversely affect the interests of the owners of the 2009 Bonds or the 2020 Bonds, and that such amendment will not cause interest on the 2009 Bonds or the 2020 Bonds to become subject to federal income taxation.

**Section 11. Termination; Unclaimed Money.** This Escrow Agreement shall terminate when the principal of and interest on all 2009 Bonds have been paid; provided, however, that money held by the Escrow Bank pursuant to this Escrow Agreement for the payment and discharge of any of the 2009 Bonds (which shall not be payable as to interest from and after the date set for redemption) which remain unclaimed for two (2) years after such payments were due, shall be repaid by the Escrow Bank to the Authority free from the trust created by the 2009 Indenture and this Escrow Agreement, and the Escrow Bank shall thereupon be released and discharged with respect thereto and hereto and all liability of the Escrow Bank with respect to such money shall thereupon cease.

**Section 12. Severability.** If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

**Section 13. Notice to Escrow Bank and Authority.** Any notice to or demand upon the Escrow Bank may be served and presented, and such demand may be made, at the principal corporate trust office of the Escrow Bank as specified by the Escrow Bank as 2009 Trustee in accordance with the provisions of the 2009 Indenture or by physical delivery with confirmation of receipt or by confirmed telecopy. Any notice to or demand upon the Authority shall be deemed to have been sufficiently given or served for all purposes by being mailed by registered or certified mail, and deposited, postage prepaid, in a post office letter box, addressed to such party as provided in the 2009 Indenture (or such other address as may have been filed in writing by the Authority with the Escrow Bank).

**Section 14. Merger or Consolidation of Escrow Bank.** Any company into which the Escrow Bank may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible to act as Trustee under the 2009 Indenture, shall be the successor hereunder to the Escrow Bank without the execution or filing of any paper or any further act.

IN WITNESS WHEREOF, the Authority and the Escrow Bank have each caused this Escrow Agreement to be executed by their duly authorized officers all as of the date first above written.

WHITTIER UTILITY AUTHORITY

By \_\_\_\_\_  
Executive Director

Attest:

\_\_\_\_\_  
Secretary

U.S. BANK NATIONAL ASSOCIATION, as Escrow  
Bank

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**REDEMPTION SCHEDULE OF 2009 BONDS**

<i>Redemption Date</i>	<i>Redeemed Principal</i>	<i>Interest</i>	<i>Redemption Premium</i>	<i>Total Payment</i>
06/__/20	\$7,010,000	\$__	—	\$__

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## CONTINUING DISCLOSURE CERTIFICATE

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This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the CITY OF WHITTIER (the “City”) in connection with the issuance by the Whittier Utility Authority (the “Authority”) of its \$\_\_\_\_\_ Whittier Utility Authority Water Refunding Revenue Bonds, Series 2020 (the “Bonds”). The Bonds are being issued pursuant to an indenture of trust, dated as of November 1, 2012, as amended and supplemented by a first supplemental indenture, dated as of June 1, 2020 (collectively, the “Indenture”), each by and between the Authority and U.S. Bank National Association, as trustee. The City, on behalf of the Authority, covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and, in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

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

“*Annual Report Date*” means the March 31 after the end of the City’s fiscal year.

“*Dissemination Agent*” shall mean, initially, Fieldman, Rolapp & Associates, Inc., doing business as Applied Best Practices, or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

“*Fiscal Year*” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period under a Certificate of the City filed with the Trustee.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the Authority and the City in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

“*Significant Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City, on behalf of the Authority, for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2021, with the report for fiscal year 2019-20 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

(a) The Authority's audited financial statements 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 the Authority's audited financial statements are not available by the Annual Report Date, 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) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, substantially similar to that provided in the Official Statement, as follows:

- (i) Water Meter Types;
- (ii) Ten Largest Users—Consumption;
- (iii) Ten Largest Users—Revenue;
- (iv) Water Consumption;
- (v) Water Sales;
- (vi) Water Consumption versus Water Production;
- (vii) Enterprise Demand and Peaking Factors;
- (viii) Water Rate Increases;
- (ix) Water Rate Structure;
- (x) Competitive Rates; and
- (xi) Debt Service Coverage.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) 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 are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

#### Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;



(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Authority, the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City, the Authority or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (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, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or the Authority, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or the Authority, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier "if material." The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event's occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in the Rule.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City or the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental has assumed jurisdiction over substantially all of the assets or business of the City or the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental having supervision or jurisdiction over substantially all of the assets or business of the City or the Authority.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting 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 Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. 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 the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. 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 Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner 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.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Section 9.01 of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: June 2, 2020

CITY OF WHITTIER

By \_\_\_\_\_  
City Manager

ACKNOWLEDGED:

FIELDMAN, ROLAPP & ASSOCIATES,  
INC., doing business as Applied Best  
Practices, as Dissemination Agent

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Whittier Utility Authority  
Name of Obligor: City of Whittier  
Name of Issues: \$\_\_\_\_\_ Whittier Utility Authority Water Refunding Revenue Bonds,  
Series 2020  
Date of Issuance: June 2, 2020

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issues as required by the Continuing Disclosure Certificate, dated June 2, 2020, furnished by the Obligor in connection with the Issues. The Obligor anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

FIELDMAN, ROLAPP & ASSOCIATES,  
INC., doing business as Applied Best  
Practices, as Dissemination Agent

By \_\_\_\_\_  
Title \_\_\_\_\_

cc: Trustee

**GOVERNMENT CODE SECTION 5852.1 DISCLOSURE**

The following information consists of good faith estimates that have been provided by the Authority's underwriter, and reviewed by the Authority municipal advisor, based on market conditions as of April 20, 2020:

(A) True Interest Cost of the Bonds: 2.5803%

(B) Finance Charges:

Costs of issuance:	\$140,700
Underwriters' discount:	51,420
Total	<u>\$192,120</u>

(C) Net Proceeds to be Received for the Bonds \$6,348,057  
(net of finance charges)

(E) Net Present Value Savings as compared to the 2009 Bonds: 14.22%

(F) Total Payment Amount through Maturity: \$8,278,163

The foregoing estimates constitute good faith estimates only.

The principal amount of the Bonds, the true interest cost of the Bonds, 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 amount used for purposes of such estimates, (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, or a combination of such factors. 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 with respect to 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.



# Agenda Report

City Council

**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Jeffery S. Adams, Director of Community Development  
Don Dooley, Planning Services Manager  
Luis G. Escobedo, Senior Planner

**Subject:** Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit Ordinance (JUDA)

## **RECOMMENDATION**

The Planning Commission recommends City Council introduce and conduct first reading of Ordinance No. 3116 approving Zoning Code Amendment No. ZCA20-0001 to amend the Whittier Municipal Code and Specific Plan Amendment Nos. SPA20-0001, SPA20-0002, SPA20-0003, and SPA20-0004 to amend the Lincoln Specific Plan, Uptown Whittier Specific Plan, Whittier Boulevard Specific Plan and the Whittwood Town Center Specific Plan, consistent with new State laws regarding Accessory Dwelling Units and Junior Accessory Dwelling Units, and to find such amendments to be categorically and statutorily exempt from the California Environmental Quality Act.

## **Environmental Review**

Adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA) under Public Resources Code section 21080.17 (statutory exemption for second unit ordinances); CEQA Guidelines sections 15282(h) (statutory exemption for second unit ordinances); 15303 (new construction of small structures) and 15305 (minor alterations to land). This ordinance is also exempt under CEQA Guidelines section 15378 and 15061, because this ordinance will not have a significant effect on the environment, because ADUs will largely constitute infill housing which is exempt from CEQA.

Notice of the public hearing was conducted by publishing the notice in the *Whittier Daily News* on May 1, 2020. The notice was additionally posted on the City Website and posted in the City Hall Bulletin board on May 1, 2020.

## **BACKGROUND**

On April 20, 2020, the Planning Commission voted to adopt Resolution No. P.C.2020-06 recommending approval of Zoning Code Amendment No. ZCA20-0001; Specific Plan Amendment No. SPA20-0001; Specific Plan Amendment No. SPA20-0002; Specific Plan Amendment No. SPA20-0003; and, Specific Plan Amendment No. SPA20-0004 to the City Council.

**Agenda Item No. 13.B.**

## **DISCUSSION**

During the State Legislature's last legislative session, there were a number of bills enacted relating to Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs). The Legislature further restricted local control and mandated new requirements, including the approval of certain junior accessory dwelling units which are units of no more than 500 square feet contained within a single-family dwelling. The new law went into effect on January 1, 2020.

If a city does not have an accessory dwelling unit ordinance that is compliant with State law, then any applications submitted will be processed under the State law requirements without any local input.

The adopted State Legislation is ambiguous with regard to several matters. The ordinance presented by staff reflects the City's Attorney's best interpretation, keeping in mind previous directives from the State Department of Housing and Community Development ("HCD") and the Legislature's overriding intent this past legislative session to stimulate new housing development in California.

The two primary assembly bills that impacted accessory dwelling units were AB 68 and AB 881.

### **AB 68 – JADUs**

AB 68 relates to an accessory dwelling unit that is built within a single-family residential structure and is no more than 500 square feet in area. It may have its own sanitation facilities or could share such facilities with the primary residence. The JADU must have kitchen facilities.

Previously, a city was not required to allow such units. Now JADUs must be allowed. If a city does not have an ordinance, a JADU application will be approved in accordance with the provisions set forth in State law, although there is very little difference between the City's proposed ordinance and Government Code Section 65852.22.

For a JADU, the owner must reside either in the JADU or the primary dwelling unit. In contrast, and as described in the next section, the City cannot impose an owner occupancy restriction for ADUs created in the next five years.

### **AB 881 – ADUs**

AB 881 substantially revised ADU law, as summarized below:

- Zones. ADUs must now be allowed in all residential and mixed use zones with some limitations.



- Prohibited Areas. A city may now only preclude ADUs from specified zones based upon “adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.”
- 60 Day Approval. All ADUs and JADUs are directed to be approved within 60 days of a complete application if they meet the ministerial requirements. If the ADU or JADU is being proposed in conjunction with a new primary structure, the approval may be delayed until the primary structure is approved.
- Lot Size/Coverage. The City can no longer require minimum lot sizes for ADUs. The City’s express authority to regulate based upon lot coverage was deleted.
- New Single Family. ADUs must be allowed for proposed single family dwellings.
- ADUs vs. JADUs. As a result of AB 881 and AB 68, the main differences between ADUs and JADUs are that (1) JADUs are allowed to share bathroom facilities with the primary dwelling, whereas ADUs cannot; (2) JADUs cannot exceed 500 square feet; (3) JADUs must be within the single family dwelling – a city is not required to allow them to be in detached structures or on a lot with a multifamily unit; and (4) for JADUs, the owner must reside on site – conversely, for ADUs, a city cannot require the owner to live on site.
- Setbacks. In many instances, a City may require only a maximum four-foot side and rear yard setback for ADUs. No setbacks may be required if the ADU is being converted from or constructed in the exact same location as a permitted accessory structure, including a garage. The apparent legislative intent is that a City must allow conversion of garages and no replacement parking can be required for a garage that is removed as part of creating an ADU.
- Owner Occupancy. For ADUs approved through January 1, 2025, the City cannot impose an owner-occupancy requirement for ADUs. Starting on January 1, 2025, for new units this requirement may again be imposed, unless the law is amended to remove this authorization.
- Square Footage. State law has been amended to provide that a City may establish a maximum square footage requirement of 850 square feet for studio and one-bedroom units and 1,000 square feet for units with more than one bedroom. Accordingly, the City has revised its ordinance to impose these standards. If the City were to impose a percentage limitation based on the existing size of the primary house such as a 50 percent limit, or other similar requirement, it must still allow an ADU that is at least 800 square feet in area.
- Overrides. Four categories of ADUs must be approved regardless of any other provisions for an ADU; these are:

- *Single Family*. For properties within a residential or mixed use zone with a proposed or single family dwelling:
  - Internal ADU. An ADU within a proposed or existing single-family dwelling when certain conditions are met.
  - External ADU. A detached new construction ADU that is no more than: 800 square feet in area, 16 feet in height, and is set back at least 4 feet from both the side and rear yards.
- *Multi-family*. For properties within a residential or mixed use zone with multi-family dwelling in a residential or mixed-use zone:
  - Internal ADUs. ADUs inside a multi-family dwelling in spaces that are not used as habitable spaces, such as storage rooms, boiler rooms, attics, basements, or garages provided the unit complies with the building code standards for dwellings. The City must allow up to 25 percent of the number of existing units or a minimum of one ADU. Thus, if there is an existing apartment building with 10 apartments, the city would be required to allow up to two internal units, as two units (20%) would not exceed the requirement of 25%.
  - External ADUs. Two detached ADUs on a lot with a multifamily dwelling provided that each ADU does not exceed 800 square feet, is no greater than 16 feet in height and meets four-foot side and rear yard setbacks.
  - One of Each. The proposed ordinance is more permissive than the absolute minimum of State law in that that it allows an applicant to have one internal ADU and one external ADU.
- Building Code Compliance. All ADUs and JADUs must meet the requirements of State building codes. This means that, among other things, unless the city establishes a lower limit (not below 150 square feet), ADUs and JADUs must be at least 220 square feet in size (roughly half the size of a standard two car garage).

#### Other Bills-

- A. SB 13: Code Enforcement. SB 13 added section 17980.12 to the Health and Safety Code. Under this new requirement, through January 1, 2030, the City must include a notice to owners of ADUs with building code violations stating that the recipients of the notice can seek to defer the corrections if it is not a matter of health and safety. If the City agrees, then enforcement shall be delayed for five years. This only applies to ADUs built before January 1, 2020 or to ADUs built

after January 1, 2020 in a city that did not have a compliant ordinance, but does have one at the time the request for delay is made.

- B. AB 670: CC&Rs. AB 670 added section 4751 to the Civil Code to state that codes, covenants and restrictions (“CC&Rs”) for lots zoned for single-family residential use may not prohibit or unreasonably restrict the construction or use of an ADU or JADU.

### **The Proposed Ordinance**

The proposed ordinance is intended to ensure compliance with State law by allowing ADUs and JADUs, while maintaining the city’s character.

The city is greatly limited in how it can regulate ADUs and JADUs. However, the city does have some discretion, which the draft ordinance exercised as follows in that it:

- Requires all ADUs to comply with the city’s architectural design and historic preservation standards.
- Establishes design standards for garages that are converted to accessory dwelling units.
- Allows ADUs on second floors under specified circumstances.
- For lots within a residential area that have multifamily units, the ordinance is more permissive than State law expressly requires in that it:
  - Allows ADUs both internal and external to the existing multifamily structure.
  - Allows ADUs within the non-habitable space any dwelling on the multifamily lot, and not just within the multifamily dwelling(s).

To ensure compliance with applicable law, the ordinance amends the zoning code and the four following specific plans to ensure that ADUs and JADUs are allowed within those plans, to the extent that such ADUs and JADUs would comply with the municipal code provisions at issue:

- Whittier Boulevard Specific Plan
- Lincoln Specific Plan
- Uptown Whittier Specific Plan
- Whittwood Town Center Specific Plan

### **FISCAL IMPACT**

There is no fiscal impact related to this report. State law already prohibits the City from collecting development impact fees on ADUs in excess of specified amounts.

### **ATTACHMENTS**

- A. Ordinance 3116

## ORDINANCE NO. 3116

AN ORDINANCE OF THE WHITTIER CITY COUNCIL APPROVING ZONING CODE AMENDMENT NO. ZCA20-0001 TO AMEND THE WHITTIER MUNICIPAL CODE AND SPECIFIC PLAN AMENDMENT NOS. SPA20-0001, SPA20-0002, SPA20-0003, AND SPA20-0004 TO AMEND THE LINCOLN SPECIFIC PLAN, UPTOWN WHITTIER SPECIFIC PLAN, WHITTIER BOULEVARD SPECIFIC PLAN AND THE WHITTWOOD TOWN CENTER SPECIFIC PLAN, CONSISTENT WITH NEW STATE LAWS REGARDING ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS, AND TO FIND SUCH AMENDMENTS TO BE CATEGORICALLY AND STATUTORILY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

RECITALS

- A. Effective January 1, 2020 multiple new housing bills relating to accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) became law, including AB 68, AB 881, SB 13, AB 587, and AB 670.
- B. Municipal regulations which are inconsistent with State law may be preempted effective January 1, 2020.
- C. To preserve what authority the City has remaining to regulate ADUs and JADUs, it is desirable that the City update its laws consistent with the law as it went into effect on January 1, 2020.
- D. The Planning Commission considered Zoning Code Amendment No. ZCA20-0001, Specific Plan Amendment No. SPA20-0001 (Lincoln Specific Plan); Specific Plan Amendment No. SPA20-0002 (Uptown Whittier Specific Plan); Specific Plan Amendment No. SPA20-0003 (Whittier Boulevard Specific Plan); and, Specific Plan Amendment No. SPA20-0004 (Whittwood Town Center Specific Plan) on April 20, 2020.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITTIER, CALIFORNIA, DOES HEREBY ORDAIN THE FOLLOWING:

SECTION 1. Recitals. The above recitals are true and are a substantial part of this ordinance.

SECTION 2. Municipal Code Definition. Municipal Code section 18.06.007 is revised to provide as follows:

Accessory Dwelling Unit. "Accessory Dwelling Unit" shall have the same meaning as stated in Government Code 65852.2 as that section may be amended from time to time. For the sake of convenience only, currently

Government Code 65852.2 defines “accessory dwelling unit as, “an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes the following: (A) An efficiency unit. (B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.”

**SECTION 3. Municipal Code Definition.** Municipal Code section 18.06.136 is revised to provide as follows:

"Driveway" means the vehicular access from the street or alley to a legal parking space, which serves the lot upon which the parking space is located. A driveway shall not lose its status as a “driveway” if the parking space that it was serving was removed in conjunction with the creation of an accessory dwelling unit.

**SECTION 4. Whittier Blvd. Specific Plan Revisions.** Table 4-1, Allowable Uses and Permit Requirements, of the Whittier Boulevard Specific Plan (on page 4-8) is revised to add the following three rows (i.e., excluding the header) within, and at the end of the section entitled “Residential Uses”:

Land Use Type	Gateway	Workplace	Workplace Residential Subarea Overlay	Shopping Cluster	Center	Neighborhood Spine	Reference
<b>Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)</b>							
Accessory Dwelling Units	P	---	P	P	P	P	WMC 18.10.020(I)
Junior Accessory Dwelling Units	P	---	P	P	P	P	WMC 18.10.020(I)

**SECTION 5. Lincoln Specific Plan Revisions.** The following row is added to the end of the “Residential Uses” section of Table 4-1A, Permitted and Conditionally Permitted Uses, on page 4-4 of the Lincoln Specific Plan:

Land Use	The Market	Heritage Court	Residential Areas
Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) which comply with all requirements of Section 18.10.020(I) of the Whittier Zoning Ordinance	P	X	P

SECTION 6. Uptown Whittier Specific Plan Revisions. The following sections of the Uptown Whittier Specific plan are revised as follows:

- A. The last row within the “Residential” section of Table 4-1, “Allowed Land Uses and Permit Requirements for the Uptown Zones,” is revised to provide:

Land Use Type	U-CO	U-CT	U-G	U-E	Additional Regulations
Accessory dwelling/junior accessory dwelling unit	P	P	P	P	WMC 18.10.020(I)

- B. Both references within Table 4-2, “Uptown Whittier Specific Plan Urban Standards”, to “accessory dwelling”, and the related references within those rows are deleted.
- C. The row with the heading “building types” within Table 4-2, “Uptown Whittier Specific Plan Urban Standards,” is revised to provide as follows:

Building Types	Only the following building types are allowed within each zone. Accessory Dwelling Units and Junior Accessory Dwelling Units are allowed in each zone, provided each such unit(s) comply with Whittier Municipal Code section 18.10.020(I).
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- D. Subsection 3 of subsection C of section 4.3.3 “Uptown Core (U-CO)” is revised as follows:

Residential: 1.5 spaces/unit for studio/1 bedroom units  
 2.0 spaces/unit for 2 bedroom units  
 2.5 spaces/unit for 3+ bedroom units  
 0.25 spaces/unit for guest parking – may contribute toward parking within Park Once parking structures  
1.0 spaces/unit for accessory dwelling unit if required by WMC § 18.10.020(I)  
 Live/Work: 2 spaces / unit minimum  
 Non-Residential: Satisfied by Park-Once System

- E. Subsection 3 of subsection C of section 4.3.4 “Uptown Center (U-CT)” is revised as follows:

Residential: 1.5 spaces/unit for studio/1 bedroom units  
 2.0 spaces/unit for 2 bedroom units  
 2.5 spaces/unit for 3+ bedroom units

0.25 spaces/unit for guest parking - units within the Park Once district may contribute toward parking within Park Once parking structures

1.0 spaces/unit for accessory dwelling unit if required by WMC § 18.10.020(I)

Live/Work: 2 spaces / unit minimum  
Non-Residential: Satisfied by Park-Once system  
Areas outside Park Once District: see page 4:63

- F. Subsection 3 of subsection C of section 4.3.5 “Uptown General (U-G)” is revised as follows:

Residential: 2.0 spaces/unit for Single House, Accessory—Dwelling, Duplex/Triplex/Quadplex Building Types  
1.5 spaces/unit for studio/1 bedroom units  
2.0 spaces/unit for 2 bedroom units  
2.5 spaces/unit for 3+ bedroom units  
0.25 spaces/unit for guest parking - units within the Park Once district may contribute toward parking within Park Once parking structures

Live/Work: 2 spaces / unit minimum  
Accessory Dwelling: 1 space / unit minimum if required by WMC § 18.10.020(I)  
Non-Residential < 750 sq ft: not required  
Areas outside Park Once District: see page 4:63

- G. Subsection 3 of subsection C of section 4.3.6 “Uptown Edge (U-E)” is revised as follows:

Residential: 2.0 spaces/unit for Single House, Accessory—Dwelling, Duplex/Triplex/Quadplex Building Types  
1.5 spaces/unit for studio/1 bedroom units  
2.0 spaces/unit for 2 bedroom units  
2.5 spaces/unit for 3+ bedroom units  
0.25 spaces/unit for guest parking - units within the Park Once district may contribute toward parking within Park Once parking structures

Live/Work: 2 spaces / unit minimum  
Accessory Dwelling: 1 space / unit minimum if required by WMC § 18.10.020(I)  
Non-Residential < 750 sq ft: not required  
Areas outside Park Once District: see page 4:63

- H. The entry of Subsection 4 of subsection A of Chapter 4.4, entitled “Housing Unit sizes”, is revised to provide as follows:

- ~~Second units/a~~ Accessory dwellings 420 sq. Ft. minimum  
700 sq.ft. maximum  
See WMC § 18.10.020(I)

- I. The second row in Table 4-3, “Building Types Allowed by Zone,” is revised to provide as follows:

Building Type	U-CO	U-CT	U-G	U-E
2. ADUs and JADUs	Y	Y	Y	Y

- J. The second row in Table 4-4, “Lot Dimensions and Density Ranges by Building Type,” is revised to provide as follows:

Building Type	Lot Width	Lot Depth	Density Range
2. ADUs and JADUs	n/a	n/a	n/a

- K. Subsection H of the following sections is deleted:

- 4.4.1
- 4.4.3
- 4.4.4
- 4.4.5
- 4.4.6
- 4.4.7
- 4.4.8
- 4.4.9
- 4.4.10

- L. A new paragraph is added immediately after the first paragraph in Section 4.4.2, “Accessory Dwelling” to provide as follows:

Notwithstanding anything else in this Specific Plan to the contrary, Accessory Dwelling Units and Junior Accessory Dwelling Units shall be allowed, provided they meet the requirements of WMC § 18.10.020(I), and any additional and more stringent requirements of this specific plan which are legally enforceable.

- M. The second row within the chart within subsection B of section 4.6 (relating to accessory dwelling units) is hereby replaced with the words, “Reserved.”

- N. The definition of “Accessory Dwelling (e.g. Carriage House)” in section 4.10.2 is revised as follows:

**Accessory Dwelling (e.g. Carriage House):** ~~An attached or detached residence which provides complete independent living facilities for one or more persons and which is located or established on the same lot on which a single-family residence is located. Such dwellings may contain permanent provisions for living, sleeping, eating, cooking and sanitation. This definition includes “granny flats.”~~

This has the same meaning as stated in Government Code 65852.2 as that section may be amended from time to time. For the sake of convenience only, currently Government Code 65852.2 defines “accessory dwelling unit as, “an



attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes the following: (A) An efficiency unit. (B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.

SECTION 7. Whittwood Town Center Specific Plan Revisions. The following revisions are made to the Whittwood Town Center Specific Plan:

- A. The following sentence is added to the end of the first paragraph of Subsection B of Section III:

Accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) are allowed in all districts, if such units comply with the requirements of WMC § 18.10.020(I), “Accessory Dwelling Units”, as that section may be amended from time to time.

- B. The following row is added to the portion of Table 3, “Permitted Uses”, that is at the end of page III-4, under the heading, “Residential”

Land Use	Major Retail District	Whittier Boulevard District	Village Service District	Village Plaza District	Residential Village District
Accessory Dwelling Units and Junior Accessory Dwelling Units	P**	P**	P**	P**	P**

- C. The following shall be added within the very last row of Table 3, “Permitted Uses”, on page III-4

\*\*P – Permitted only if in compliance with WMC § 18.10.020(I)

SECTION 8. Chapter 18.10. Subsection (I) of Section 18.10.020 is hereby repealed and replaced in its entirety with the following text:

**18.10.020(I) Accessory Dwelling Units.** Accessory dwelling units shall be permitted in all specific plans and zones that allow residential uses, in accordance with the following regulations:

**1. Intent and Findings.**

A. **Intent.** The intent of this subsection (I) is to ensure that accessory dwelling units and junior accessory dwelling units remain as an accessory use to the residence(s) on site, that structures on parcels are organized to accommodate an accessory dwelling unit and/or junior accessory dwelling unit, and that such dwelling units will not adversely impact surrounding residents or the community. Notwithstanding any wording within this subsection (I), this subsection (I) should be interpreted to effect the requirements of Government Code sections 65852.2 and 65852.22, but to not authorize more than is legally required.

B. **General Plan Consistency.** In adopting these standards, the City recognizes that the approval of dwelling units may, in some instances, result in dwelling densities exceeding the maximum densities prescribed by the general plan. The City finds that this occurrence is consistent with the general plan, as allowed under state planning and zoning law applicable to accessory dwelling units and junior accessory dwelling units, and that the amendment furthers the goals, objectives, and policies of the general plan housing element.

**2. Occupancy and Rental.** Except as otherwise authorized by law, accessory dwelling units and junior accessory dwelling units may be rented separate from the primary residence, but may not be sold or otherwise conveyed separate from the primary residence. Rental periods shall not be less than 31 days.

**3. Definitions.** For purposes of this subsection (I) only:

A. The terms “accessory dwelling unit”, “passageway”, “public transit”, and “tandem parking” each have the same meaning as that stated in Government Code section 65852.2 as that section may be amended time to time. For the sake of convenience only, currently Government Code 65852.2 defines these terms as follows:

i. “Accessory dwelling unit” means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated. An accessory dwelling unit also includes the following: (A) An efficiency unit. (B) A manufactured home, as defined in Section 18007 of the Health and Safety Code.”

- ii. “Passageway” means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the accessory dwelling unit.
  - iii. “Public transit” means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.
  - iv. “Tandem parking” means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.”
- B. “Junior accessory dwelling unit” shall have same meaning as that stated in Government Code section 65852.22(h)(1) as that section may be amended from time to time. For the sake of convenience only, currently Government Code 65852.22(h)(1) provides:
- i. “‘Junior accessory dwelling unit’ means a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A junior accessory dwelling unit may include separate sanitation facilities, or may share sanitation facilities with the existing structure.”
- C. A structure is considered “existing” if proper permits have been issued and finalized for at least one year or the structure has been in existence at least 50 years prior to the submittal of the application.
- 4. Accessory dwelling units—Development standards.** Except for dwelling units approved pursuant to subsection 6 of this subsection (l), below, all accessory dwelling units shall comply with the requirements of this subsection 4. Except as otherwise provided in this subsection 4 or subsection 6, accessory dwelling units shall conform to the development standards of the underlying zone. Accessory dwelling units are only allowed in zones which allow residential uses.
- A. Legal lot/residence. An accessory dwelling unit shall only be allowed on a lot within the City that contains or will be developed with a legal, single-family or multiple-family residence.
  - B. Distance. The distance between any detached accessory dwelling unit and the primary dwelling unit shall not be less than ten feet.
  - C. Floor Area. Accessory dwelling units shall not exceed the size standards listed below:

- i. Attached accessory dwelling units: The maximum floor area of an attached accessory dwelling unit shall be the greater of:
    - a. 850 square feet for an accessory dwelling unit with 0-1 bedrooms or 1,000 square feet for an accessory dwelling unit with 2 or more bedrooms; or
    - b. If there is an existing primary single family dwelling, 50% of the square footage of the existing primary single family dwelling.
  - ii. Detached accessory dwelling units: 1,200 square feet.
- D. Zones of Insufficient Sewer or Water. New accessory dwelling units are prohibited if the Director determines the area has insufficient water or sewer service. The Director shall maintain a map showing the known areas in the City with insufficient water or sewer service; such map shall be promptly made available to the public upon request. The Director shall update the map periodically, and shall do so only after consulting with the relevant water or sewer service provider if such service is not provided by the city.
- E. Parking.
  - i. In addition to the required parking for the primary unit, one parking space shall be provided for the accessory dwelling unit unless the accessory dwelling unit has no bedrooms (e.g., a studio), in which case no parking space is required. The required parking space may be provided as:
    - a. Tandem parking on an existing driveway in a manner that does not encroach onto a public sidewalk and otherwise complies with city parking requirements; or
    - b. Within a setback area or as tandem parking in locations determined feasible by the City for such use. Locations will be determined infeasible based upon specific site or regional topographical or fire and life safety conditions, or that it is not permitted anywhere else in the City.
  - ii. Notwithstanding the foregoing, no parking space shall be required for an accessory dwelling unit if:
    - a. It is located within one-half mile of public transit (purposes of this subsection, “public transit” has the same meaning as in Government Code 65852.2 as it may be amended from time to time);

- b. It is located within an architecturally and historically significant district;
  - c. It is part of a proposed or existing primary residence or accessory building;
  - d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit; or
  - e. Where there is a car share vehicle located within one block of the accessory dwelling unit.
- iii. When a garage, carport, or covered parking structure is demolished in conjunction with the construction of an accessory dwelling unit or converted to an accessory dwelling unit, the off-street parking spaces do not have to be replaced. However, all portions of any existing driveway shall remain except to the extent that the driveway becomes blocked by a new habitable structure.
- F. Conversion of existing primary unit. An existing single-family dwelling may be converted to an accessory dwelling unit if it complies with all applicable requirements of this chapter when a new, larger primary residence is proposed to be constructed.

**5. Accessory dwelling and junior accessory units — Universal Standards.** All accessory dwelling units shall comply with the requirements of this subsection 5, plus either the requirements of subsection 4 or 6. Junior accessory dwelling units shall comply with the requirements of this subsection 5 in addition all other applicable requirements, including those listed in subsection 7.

- A. Maximum Number of Dwelling Units.
- i. Single Family. For lots with a proposed or existing single-family residence, no more than one accessory dwelling unit and no more than one junior accessory dwelling unit may be on the lot. No new accessory living area may be constructed if an accessory dwelling unit or junior accessory dwelling unit will be on the property.
  - ii. Multi-family. For lots with existing multi-family residential dwellings:
    - a. No more than twenty-five percent (25%) of the number of the existing units, but at least one (1) unit, shall be permitted as accessory dwelling units constructed within the non-livable space (e.g., storage rooms, boiler rooms, hallways, attics, basements, or garages) of the existing multifamily dwelling

structure provided that applicable building codes (including minimum floor area requirements) are met;

- b. No more than two detached accessory dwelling units, provided that no such unit shall be more than sixteen (16) feet in height, and each such unit complies with front yard and street side yard setbacks, and meets rear-yard and interior side yard setbacks of four feet. The maximum floor area footage of detached accessory dwelling units on lots with existing multi-family residential dwellings shall be 800 square feet.

B. Setback requirements.

- i. Consistent with subsection 6.A.ii, below, no setbacks are required for:
  - a. Those portions of accessory dwelling units that are created by converting existing living area or existing accessory buildings to new accessory dwelling units; or
  - b. Construction of a new accessory dwelling unit in the same location and to the same dimensions as an existing lawful structure.
- ii. For all other accessory dwelling units (including accessory dwelling units listed in subsections 6.A.ii, 6.B.i, 6.B.ii, and 6.B.iii, below), there must be a minimum four feet setbacks from interior side and rear lot lines the accessory dwelling unit must comply with all applicable front and street side yard setbacks.

C. Building Code Compliance. All new accessory dwelling units must comply with Title 15 of the Municipal Code (“Buildings and Construction”) and any other applicable provisions of the California Building Standards Code, including all applicable sewer, utility, and water connection requirements, unless the requirements of the California State Historic Building Code apply, in which case those requirements shall apply. (See Municipal Code Chapter 18.84, Historic Resources). Notwithstanding the forgoing, in either instance, fire sprinklers shall not be required if sprinklers would not be required if the accessory dwelling unit or junior accessory dwelling unit were instead an addition to the primary residence.

D. Easements. No accessory dwelling unit or junior accessory dwelling unit may be constructed in a location that would violate any easement unless approved in writing by the holder of the easement.

- E. Separate Utility Connections. In general, the city may require a new or separate utility connection between the utility on the one hand and any accessory dwelling unit(s) or junior accessory dwelling unit on the other. If, however, the accessory dwelling unit is constructed pursuant to subsection 6.A.i of this subsection (I) (*i.e.*, constructed within an existing single-family structure), then the city cannot require a separate utility connection unless the accessory dwelling unit is constructed with a new single-family home.
- F. Architectural Standards. The accessory dwelling unit shall be compatible in exterior appearance with the primary unit, and the existing dwellings in the vicinity of the lot or parcel on which it is proposed to be constructed, in accordance with code design standards and guidelines applicable to the zone. Junior accessory dwelling units may only be allowed in a primary dwelling that meets all requirements applicable to the primary dwelling.
- G. Historic Preservation. A proposed accessory dwelling or junior accessory dwelling unit shall comply with any applicable requirements of Chapter 18.84 (“Historic Resources”). For example, if an accessory dwelling unit is to be constructed on a parcel identified on any federal, state or local list of historic or eligible historic resources, the accessory dwelling unit shall not adversely impact the property's integrity to convey its historic significance through the seven (7) aspects of integrity consisting of: setting, location, design, materials, workmanship, feeling or association, as described in National Register Bulletin 15. Likewise, the dwelling unit shall not be placed or constructed so as to result in a modification of any existing historic resource on the parcel or to a designated historic district, unless alterations to the existing historic resources on the property or within a designated historic district conform to the United States Secretary of Interior's Standards for Treatment of Historic Properties with Guidelines for preserving, rehabilitating restoring and reconstructing historic buildings. In addition, any detached garages and structures that contributes to the historic significance of an on-site resource shall retain its exterior integrity and comply with the Secretary of the Interior's standards with guidelines for preserving, rehabilitating, restoring and reconstructing historic buildings. Certain accessory dwelling units and junior accessory dwelling units may be eligible for a waiver pursuant to the procedures of Chapter 18.84.
- H. Recorded Covenants. Before obtaining a permit for an accessory dwelling unit or junior accessory dwelling unit, the property owner shall file with the county recorder a declaration or agreement of restrictions, which has been approved by the City Attorney as to its form and content. The requirements of the junior accessory dwelling unit are provided in subsection 7. The covenants for the accessory dwelling unit shall describe restrictions that allows for and the continued use of the accessory dwelling as follows:

- i. the accessory dwelling unit shall not be sold separately from the primary residence;
    - ii. the unit shall not be rented for periods of less than 31 days;
    - iii. the restrictions shall be binding upon any successor in ownership of the property, and lack of compliance shall result in legal action against the property owner.
  - I. Height. In general, an accessory dwelling unit shall not exceed one story and shall be no greater than sixteen feet in height, unless additional height is necessary to match the roof pitch of the primary structure; the height shall be measured from the top of the first floor top plate. However, an accessory dwelling unit may be built on a second floor if the accessory dwelling unit is solely above a garage or accessory building, and the following requirements are met:
    - i. Accessory buildings with “habitable space”, as defined by the California Building Code, or which have bathing facilities, are considered accessory area and therefore must comply with the requirements of Section 18.10.030(H).
    - ii. If an accessory dwelling unit will be within an accessory building which is two stories, then the floor area of the second floor shall not exceed seventy-five percent of the footprint of the first floor of the accessory building.
    - iii. Stairway access to the second floor shall be interior.
  - J. Conversion of existing primary unit. An existing single-family dwelling may be converted to an accessory dwelling unit when all requirements of this section are met and a new, larger single family dwelling will be constructed in compliance with all requirements of this code.
  - K. Passageway. No passageway shall be required in conjunction with the construction of an accessory dwelling unit.
  - L. Nonconforming. Accessory dwelling units and junior accessory dwelling units shall not be required to correct legal nonconforming zoning conditions (e.g., physical development upon the property) as a pre-condition to obtaining authorization to construct an accessory dwelling unit or junior accessory dwelling unit. However, this authorization shall not be interpreted as allowing non-conforming use on a property (e.g., a single family dwelling in a commercial zone) to be expanded or intensified by allowing either a new accessory dwelling unit or new junior accessory dwelling unit on the property.



- M. Driveway Maintenance/Removal. If an existing garage for a single family dwelling is demolished or converted to allow an accessory dwelling unit, after creation of the accessory dwelling unit, either (1) the driveway must continue to operate in a manner that one or more cars can lawfully park on the driveway; or (2) at the applicant's sole cost, the driveway shall be removed, the curb cut and driveway apron removed, a replacement curb and gutter installed, and a parkway installed in a manner consistent with the immediate surroundings.

**6. Accessory Dwelling Unit and Junior Accessory Dwelling Unit Exceptions.**

The following types of accessory dwelling units shall be approved regardless of whether the proposed accessory dwelling unit meet the requirements of subsection 4. However, accessory dwelling units approved via this subsection 6 must meet all other applicable requirements of this code, including those listed in subsection 5 above.

- A. On lot with a proposed or existing single-family dwelling within a zone that allows residential uses, either:
- i. One accessory dwelling unit and/or one junior accessory dwelling unit per lot may be constructed within an existing or proposed single-family or accessory building, including the construction of up to a one hundred fifty (150) square foot expansion beyond the same physical dimensions as the existing accessory building to accommodate ingress and egress. Any accessory dwelling unit and any junior accessory dwelling unit must have exterior access and side and rear setbacks sufficient for fire safety. If the unit is a junior accessory dwelling unit, it must also comply with the requirements of subsection 7 below ("Junior Accessory Dwelling Units"); or
  - ii. One detached, new construction, accessory dwelling unit with setbacks of at least four feet from side and rear yards, no more than eight hundred (800) square feet floor area, and a height not exceeding sixteen (16) feet on a lot with an existing or proposed single family dwelling. A junior accessory dwelling unit may also be built within the existing or proposed single-family dwelling of such residence in connection with the accessory dwelling unit.
- B. On a lot with an existing multifamily dwelling within a zone that allows residential uses, one (and only one) of the following:
- i. Accessory dwelling units may be constructed within portions of "dwellings" that are not used as livable space (*i.e.*, storage rooms, boiler rooms, passageways, attics, basements, or garages), provided the spaces meet state building standards for dwellings. The number of interior accessory dwelling units permitted on the lot shall

not exceed twenty-five percent (25%) of the current number of units of the multi-family complex on the lot and at least one such unit shall be allowed. For purposes of this subsection (i), a “dwelling” includes all lawful single-family dwellings and multi-family dwellings and all structures lawfully attached to the single-family dwellings and multi-family dwellings; accessory dwelling units and junior accessory dwelling units are excluded from this calculation; detached garages and other detached non-habitable structures are excluded from the definition of “dwelling” in this subsection (i); or

- ii. Up to two (2) detached accessory dwelling units may be constructed, provided they are no taller than sixteen (16) feet, and they have at least four (4) feet of side and rear yard setbacks not to exceed (800) square feet in floor area. If the lot is entirely within a multifamily zone, as an alternative to one or both of the detached accessory dwelling units allowed under this subsection (ii), the detached accessory dwelling unit(s) may be two stories, provided that the height does not exceed 25 feet.
- iii. One accessory dwelling unit that meets the requirements of subsection (i) of this subsection B and one accessory dwelling unit that meets the requirements of subsection (ii) of this subsection B, for a total maximum number of accessory dwelling units of two.

## **7. Junior Accessory Dwelling Units.**

- A. Purposes: This section provides standards for the establishment of junior accessory dwelling units. Junior accessory dwelling units will typically be smaller than an accessory dwelling unit, and will be constructed within the walls of an existing or proposed single family residence.
- B. Size: A junior accessory dwelling unit shall not exceed 500 square feet in size.
- C. Owner Occupancy: The owner of a parcel proposed for a junior accessory dwelling unit shall occupy as a primary residence either the primary dwelling or the junior accessory dwelling. Owner-occupancy is not required if the owner is a governmental agency, land trust, or “housing organization” as that term is defined in Government Code Section 65589.5(k)(2), as that section may be amended from time to time.
- D. Sale Prohibited: A junior accessory dwelling unit shall not be sold independent of the primary dwelling on the parcel.
- E. Short term rentals: The junior accessory dwelling unit shall not be rented for periods of less than 31 days.

- F. Location of Junior Accessory Dwelling Unit: A junior accessory dwelling unit shall be entirely within a legal single-family residence. As such, the structure in which the junior accessory dwelling unit is located (i.e., the primary dwelling) must be in a zone that allows single family dwellings, and must comply with all development requirements (e.g., architectural, historic preservation) otherwise applicable to the primary dwelling.
- G. Kitchen Requirements: The junior accessory dwelling unit shall include an efficiency kitchen, including a food preparation counter and storage cabinets that are of reasonable size in relation to the size of the junior accessory dwelling unit.
- H. Parking. No additional parking is required beyond that already required for the primary dwelling.
- I. Fire Protection; Utility Service. For the purposes of any fire or life protection ordinance or regulation or for the purposes of providing service for water, sewer, or power, a junior accessory dwelling unit shall not be considered a separate or new unit, unless the junior accessory dwelling unit was constructed in conjunction with a new single-family dwelling. No separate connection between the junior accessory dwelling unit and the utility shall be required for units created within a single-family dwelling, unless the junior accessory dwelling unit is being constructed in connection with a new single-family dwelling.
- J. Deed Restriction. Prior to the finalization of the building permit for a junior accessory dwelling unit, the owner shall record a deed restriction in a form approved by the city that includes a prohibition on the sale of the junior accessory dwelling unit separate from the sale of the single-family residence, requires owner-occupancy consistent with subsection (3) above, does not permit rentals for periods of less than 31 days, and restricts the size and attributes of the junior dwelling unit to those that conform with this section.

SECTION 9. Revise Chapter 18.10. The first sentence of Municipal Code Section 18.10.020(H) is hereby revised to provide as follows:

H. Accessory Living Area. One accessory living area may be permitted on lots in the H-R, R-E, and R-1 zones with not more than one dwelling unit, provided the lot will not have an ~~or~~ accessory dwelling unit, subject to the following:

SECTION 10. Revise Chapter 18.10. Municipal Code Section 18.10.060, subsection (C) is hereby repealed and replaced with the following text:

C. Any accessory dwelling unit ~~located in the R-E and R-1 zone~~ and any junior accessory dwelling unit shall be subject to the standards in Section 18.10.020 (I) – Accessory Dwelling Units.

SECTION 11. Revise Chapter 18.12. Municipal Code Section 18.12.020, subsection (C) is hereby added to provide:

C. Accessory dwelling units and junior accessory dwelling units in compliance with the requirements of Section 18.10.020(I) – Accessory Dwelling Units.

SECTION 12. Revise Chapter 18.14. Municipal Code Section 18.14.030, subsection (C) is hereby added to provide:

C. Accessory dwelling units and junior accessory dwelling units in compliance with the requirements of Section 18.10.020(I) – Accessory Dwelling Units.

SECTION 13. Revise Chapter 18.16. Municipal Code Section 18.16.030, subsection (C) is hereby added to provide:

C. Accessory dwelling units and junior accessory dwelling units in compliance with the requirements of Section 18.10.020(I) – Accessory Dwelling Units.

SECTION 14. Revise Chapter 18.48. The portion of Municipal Code section 18.48.020 entitled “Off-Street Parking Schedule” is hereby revised as follows:

The Land Use Classification cited in the fourth row shall be re-lettered as subsection F, (rather than A.2) and be placed in the row after existing subsection E (entitled “E. Congregate and assisted living facilities”) and shall be revised as follows:

Off-Street Parking Schedule

Land Use Classification	Parking Requirements
<p><u>F. 2. Accessory Dwelling Units in the R-E and R-1 zones</u></p>	<p><u>Zero parking spaces for an accessory dwelling unit with no bedrooms, and one parking space for one or more bedrooms. (See Section 18.10.020 (I)(4)(E)(7)(C) for additional regulations).</u>  <del>One tandem parking space on an existing driveway or one non-tandem parking space that is either covered or uncovered when the accessory dwelling unit is 1,200 square feet or less. No additional curb cuts are permitted for an accessory dwelling unit unless approved by the Director of Public Works.</del>  <u>for Accessory Dwellings Units not subject to these Parking Requirements per California Government Code 65852.2, as it may be amended from time to time.)</u></p>

The fifth row of the Land use Classification shall be deleted as follows:

	For secondary dwelling units that are over 1,200 square feet and built on a lot that is 20,000 square feet and greater, a minimum of two covered, non-tandem, on-site parking spaces shall be provided for the second unit.
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SECTION 15. Revise Chapter 18.84. Municipal Code section 18.84.180 entitled "Certificate of appropriateness waiver" is hereby revised as follows:

When alterations, restorations, rehabilitations, remodeling and additions to historic resources are accomplished in substantial accord with the guidelines set forth in this section, as determined by the secretary, a certificate of appropriateness from the commission is not required prior to issuance of a building permit. Those alterations may include, but are not limited to, the following, if no significant change in appearance occurs or the proposed change restores period features:

- A. Roofing;
- B. Foundation;
- C. Chimney;
- D. Construction, demolition or alteration of side and rear yard fences;
- E. Demolition, alteration or reconstruction of front yard fences;
- F. Landscaping, unless the landmark designation specifically identifies the landscape, layout, features, or elements as having particular historical, architectural, or cultural merit;
- G. ~~Accessory structures or additions under five hundred square feet, when not visible from a public right-of-way, if the new construction is accomplished in accordance with the historic preservation guidelines set forth in this section, and respective design guidelines and does not destroy any significant architectural features of the resource.~~ If the new construction is accomplished in accordance with the historic preservation guidelines set forth in this section, and respective design guidelines and does not destroy any significant architectural features of the resource, then the following are allowed: (1) demolition or alteration of non-contributing signs; (2) accessory structures or additions under five hundred square feet, when not visible from a public right-of-way; (3) conversion of any existing structure into an accessory dwelling unit or junior accessory dwelling unit if the conversion meets the requirements of Municipal Code section 18.10.020(I)(5)(G); and (4) accessory dwelling units of 800 square feet or less that are not visible from a public right-of-way if the conversion meets the requirements of Municipal Code section 18.10.020(I)(5)(G).

SECTION 16. Revise Municipal Code Section 18.56.045. Subsection A.10 is added to Municipal Code section 18.56.045, “Approval Authority”, to provide:

10. Accessory dwelling units and junior accessory dwelling units, notwithstanding subsection B.1 of this subsection, below.

SECTION 17. Development Related Fees. City staff is directed continue to collect all development impact fees for accessory dwelling units and junior accessory dwelling units, but only to the extent allowed by Government Code § 65852.2 and other applicable law. If fees are limited by section 65852.2, staff shall collect only that portion of said fees that are lawful. The City Council may establish and update the relevant fees by resolution.

SECTION 18. CEQA. These amendments are in compliance with the provisions of the California Environmental Quality Act (CEQA). Under California Public Resources Code § 21080.17, the California Environmental Quality Act (CEQA) does not apply to the adoption of an ordinance by a city to implement the provisions of Section 65852.2 of the Government Code, which is the State accessory dwelling unit law. See also CEQA Guidelines §§ 15282(h) [statutory exemption for second unit ordinances]. Therefore, the proposed amendment to the City’s accessory dwelling unit regulations is statutorily exempt from CEQA in that the proposed amendments consist of provisions that further implement the State accessory dwelling unit law. Furthermore, the amendment is not a “project” under CEQA pursuant to CEQA Guidelines Section 15378, which provides that CEQA applies to “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” The amendment would additionally be subject to the “general rule” exemption pursuant to CEQA Guidelines Section 15061(b)(3), which provides that, “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” The ordinance is also exempt under CEQA Guidelines 15303 [new construction or small structures] and 15305 [minor alterations to land].

SECTION 19. Ordinance vs. Resolutions. Notwithstanding the general rule that a resolution may not amend an ordinance, nothing in this ordinance shall prohibit the City Council from further amending, by resolution, any of the specific plans affected by this ordinance.

SECTION 20. Severability. If any provision(s) of this ordinance or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any other provision or application, and to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, part or portion thereof, even though any one or more sections, subsections, clauses, phrases, parts or portions thereof was declared invalid or unconstitutional.

SECTION 21. This Ordinance shall take effect 30 days after its adoption and shall be published pursuant to law.

APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
JOSEPH A. VINATIERI, Mayor

ATTEST:

\_\_\_\_\_  
RIGOBERTO GARCIA JR., City Clerk  
(Seal)

Date: \_\_\_\_\_







**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Virginia Santana, Director of Parks, Recreation and Community Services

**Subject:** Parks, Recreation and Community Services Response to the COVID-19 Whittier Recovery Plan

## **RECOMMENDATION**

Receive and file information regarding the Parks, Recreation and Community Services response to the COVID-19 Whittier Recovery Plan.

## **BACKGROUND**

In late 2019, a novel coronavirus (COVID-19) emerged and, despite worldwide efforts, began spreading to countries around the globe. On March 4, 2020, the outbreak was declared an emergency in the County of Los Angeles. That same day, California Governor Gavin Newsom declared a State of Emergency with regard to the outbreak. On March 11, 2020, the World Health Organization (WHO) labeled the outbreak a global pandemic. On March 13, 2020, President Trump similarly declared a State of Emergency. Most recently on March 17, 2020, City Manager Saeki signed Resolution No. 2020-13 proclaiming existence of a local emergency related to COVID-19, which the Council ratified with Resolution No. 2020-15 on March 24, 2020.

The Whittier Coronavirus Crisis Team (WCCT) has been meeting regularly since the onset of the public health crisis, serving as the initial phase of a more comprehensive Whittier Recovery Plan (WRP). WCCT has begun to establish additional recovery framework that identifies key action items, City objectives and broader solutions for recovery. The City's recovery measures coincide with the lifting of local measures to ensure that a safe, tiered approach is taken in the following phases:

Phase One (Safer-At-Home Order in place): Emergency Response & Preservation of Community Safety

- Essential businesses only
- Schools closed
- Stay/Safer at home orders in place
- All gatherings prohibited
- Restaurants limited to carry-out and delivery only
- Non-essential travel suspended
- Reinforce public health and safety guidance for residents, businesses, and essential institutions
- Establishment of the Whittier Coronavirus Crisis Team (WCCT)
- Continue to analyze public health case data and adjust accordingly

### Phase Two (Safer-At-Home Order modified): Gradual Re-Opening & Establishment of Continued Safety Protocols

- Workplace and congregate setting interaction restricted; telework encouraged where applicable
- Businesses must continue to practice County social distancing measures
- Childcare facilities and some recreational programs may open pending social distancing measures
- On-site school instruction remains suspended
- Large gatherings of more than 25 persons prohibited
- Retail establishments may open so long as aggressive social distancing measures remain in place; pick-up and drive-up/curbside interaction recommended
- Bars, gyms, entertainment venues, and other indoor establishments remain closed
- Restaurants continue to offer take-out or delivery service; dine-in seating restricted
- Continue to analyze public health case data and adjust accordingly

### Phase Three (Safer-At-Home Order lifted): Lift Restrictions & Resume Operations across Sectors

- All individuals and businesses must follow Centers for Disease Control and Prevention (CDC) and Los Angeles County Public Health orders
- Continue to analyze public health case data and adjust accordingly

## **DISCUSSION**

In accordance with the Whittier COVID-19 Recovery Plan, the Parks, Recreation and Community Services Department proposes the following modifications or postponements (and cancellations when necessary) of community events and programming to coincide with Phase One and Phase Two of the recovery plan. The overarching goal is to keep the community healthy and safe by remaining active and engaged. Spring programming and community events were cancelled for the season due to public health orders. The City has completed processing refunds to all registered participants.

### **Summer Activities Brochure**

Due to the uncertainty of public programming, classes and events, printing a summer brochure is not recommended. Virtual programming is being offered, and options for one-on-one and group recreation programs are being explored. Staff recommends that a virtual brochure be used in conjunction with the City's Civic Rec online registration program. Promotion of these opportunities, and potentially any new programs or events made available following initiation of Phase 2 and 3 of the reopening plan, can be made through social media and mailing of postcards/flyers. With the elimination of printing or mailing the brochure, the estimated cost savings is \$12,000.

### **Memorial Day – May 25, 2020**

Replace the in-person event with a recorded event for social media and Channel 3. We will continue with the placement of commemorative wreaths and flags at the Peace Memorial to honor those that served our country.

### **Senior Center Programs**

The Senior Center will remain closed until Phase Three of the recovery plan due to the high risk of COVID-19 to the senior community. The City has made over 4,000 wellness calls to the senior community and has partnered with Los Angeles County Supervisor Janice Hahn to deliver meals to homebound seniors. Currently over 1,613 meals have been delivered. The City will continue with wellness phone calls, the meal program, information and referrals and have begun to send weekly newsletters.

### **Summer Concerts in the Park – 12 Concerts (June 24 – August 6)**

Propose cancellation of the in-person concerts and replace with six virtual concerts. Performances will be streamed live from the Community Center Theatre. Recordings of the performances can also be viewed on Channel 3. These modifications would be an estimated cost savings of \$15,000.

### **July 4th Firework Spectacular**

Communities across the region have been reporting cancellations of 4<sup>th</sup> of July holiday events. Cities including La Mirada, Santa Fe Springs, Pico Rivera, La Puente, Baldwin Park and Norwalk have all indicated they will not hold a fireworks event. Even if public health orders are lifted, the sanctioning of large-scale music, theatrical and sporting events is not likely in early-to-mid summer. Therefore, it is recommended that the City either cancel or postpone the fireworks event, based on the past event attendance in excess of 3,000 patrons. Under the current agreement with Pyro Spectacular, cancellation will result in a 50% loss of the deposit, totaling \$7,500. The alternative is a one-time postponement, with the new date occurring no later than October of this year. Cancellation of the new date will result the loss of the entire deposit of \$15,000.

It is recommended that the City continue with holiday décor (flags) on Whittier Boulevard with the addition of banners across Whittier Boulevard at Mills Avenue and the Five Points bridge.

### **Movies in the Park**

In keeping with likely public health orders against large gatherings through the summer months, hosting the three summer movie nights is a possibility only with strict social distancing precautions. One option the Council might consider is directing staff to explore options for drive-in movies in lieu of gathering at parks. These modified events, which would still need to be fully vetted in terms of facility, sound amplification, scheduling, crowd control, and vendor participation, could potentially use a City parking lot or a large, privately-owned lot or structure. The drive-in format could potentially include food and beverage vendors implementing social distancing measures, which could also help our local restaurants and centers to stay engaged and connected.

### **Summer Day Camps**

With the reopening of some businesses, and discussions at the state level about potential expanded summer school or early starts to the school year, staff have been evaluating ways to offer youth day camps and childcare. The Centers for Disease Control (CDC), along with the State, have been providing ongoing guidance to support the continued operation of childcare services. In particular, the City would use Los Angeles County Public Health guidelines to offer modified summer camps at Palm Park, Community Center, Parnell Park and Guirado Park to support families that are able to return to work. The use of multiple facilities will help with social distancing measures. We are prepared for a 10:1 ratio, with check-in procedures, Personal Protective Equipment (PPE) guidelines and activities, as well as maintaining consistent groups and leaders.

### **Summer Whittier Youth Network (WYN) Club**

With the more free-flowing format for summer WYN Club, staff recommends cancellation of the program for Summer of 2020. More than 150 children attend per site, and maintenance of social distancing is incredibly difficult in the WYN Club format. Instead, the City will continue to offer virtual recreation activities and will partner with Library Services to offer a “pop-up” check-out program utilizing the Book Mobile to provide books, playground equipment and craft supplies at City parks throughout the summer season.

### **Summer Classes**

During a Phase 2 reopening, depending upon guidance from the Los Angeles County Public Health Officer, classes can be offered while maintaining the 10:1 ratio, check-in procedures and PPE guidelines by staff or instructors. These include art, dance, tutoring, music, advanced swim lessons and non-contact fitness classes. All other classes will be suspended.

### **Summer Aquatics**

Similarly, during a Phase 2 reopening, the City can offer adult lap swim using the existing online registration program to minimize the number of swimmers per lane in accordance with check-in procedures and PPE guidelines. Locker rooms will remain closed. Restroom facilities will be open and cleaned before and after each activity. Recreational Swim will be cancelled until further notice.

### **Facility Rentals**

It is recommended that all remaining private events be cancelled and the City plan to not accept facility rental applications through December 31, 2020. Due to the unpredictable nature of COVID-19 and without a firm re-opening date, it will be difficult for residents to plan events with the potential of cancellation.

### **FISCAL IMPACT**

There is no fiscal impact associated with this report.

### **ATTACHMENTS**

None.



# Agenda Report

City Council

**Date:** May 12, 2020  
**To:** Brian Saeki, City Manager  
**From:** Shannon DeLong, Assistant City Manager  
**Subject:** City of Whittier Homeless Navigation Center

## **RECOMMENDATION**

Approve the selection of The Salvation Army as the service provider for the establishment and operation of a Homeless Navigation Center and direct staff to negotiate a service provider agreement and initiate necessary environmental and planning processes.

## **BACKGROUND**

In July 2018, the Whittier City Council adopted a homeless action plan that included four goals:

- Goal 1: Support local and regional coordination among the City, service providers and key stakeholders around housing and supportive services
- Goal 2: Assist in increasing public awareness of the issues of homelessness
- Goal 3: Ensure City policies support appropriate shelter capacity and affordable housing stock
- Goal 4: Ensure the efficient use of existing homeless prevention resources and explore ways to enhance the coordination, utilization and efficacy of prevention resources

Goal 3 included three milestones pertaining to an emergency shelter:

- 3a.: Identify resources to increase shelter beds and increase the City's affordable housing stock
- 3e.: Identify underutilized City, County and State owned property that may be used for the development of affordable housing and enhancement of existing crisis and bridge housing programs
- 3g.: Facilitate, with nonprofit partners, the development of 100 Very Low Income homeless housing beds on one site or multiple sites across the City (for emergency shelter, bridge housing and permanent supportive housing).

In September 2018, the 9<sup>th</sup> Circuit Court of Appeals ruled, in *Martin vs Boise*, that it was a violation of an individual's civil rights (specifically, the freedom from cruel and unusual punishment) to enforce anti-camping ordinances in public spaces if a jurisdiction had insufficient shelter capacity.

In January 2019, the Los Angeles Homeless Services Authority (LAHSA) oversaw the annual point-in-time (PIT) count for its service area, which includes the City of Whittier. LAHSA reported 232 persons experiencing homelessness in Whittier and not residing in shelters. In November 2019, City Net performed a census specifically of homeless individuals in the City of Whittier. It found 231 individuals who were experiencing homelessness and not in transitional or cold weather shelters.

On January 28, 2020, the Whittier City Council directed staff to release a request for qualifications (RFQ) to identify a service provider capable of operating a navigation center which would provide wraparound services to Whittier individuals seeking emergency (crisis) shelter.

On February 27, 2020, the final draft of the RFQ was posted on the City website and emailed to 17 service providers in the Southern California region. The RFQ was also sent to the Los Angeles County CEO's Office points of contact for the County Homeless Initiative, the Gateway Cities Council of Governments Homeless Coordinator, and to LAHSA, with a request for distribution to partners and potentially interested parties.

On April 22, 2020, the Whittier City Council agreed to intervene in a federal lawsuit involving the Orange County Catholic Workers. To avoid expensive, protracted litigation, the City agreed to construct a navigation center to serve up to 60% of the number of persons experiencing homelessness in Whittier as identified in the 2019 point-in-time count. Under the terms of the settlement, once the navigation center is operational, the City will resume enforcement of park curfew, anti-camping and other quality of life ordinances.

## **DISCUSSION**

Following the City Council's direction to identify a qualified provider for a navigation center that would provide crisis shelter beds with wraparound supportive services, in support of Homeless Plan Goal 3, a Request for Proposals was released in February 2020. The City sought a qualified service provider to operate a navigation center at a to-be-determined location. In the selection of a service provider, considerations include qualifications, experience, and expertise as well as the overall ability to best meet the City's needs for a particular project, not simply the 'lowest responsive bidder' as in a public works contract. The request for qualifications asked respondents to reply with qualifications, experience, organizational capacity (including similar projects), description of the proposed program including partners, operations and services to be offered, as well as the provider's capacity to comply with not only the City's nondiscrimination and residency policies but also with best practices within the LAHSA continuum of care. A proposed budget was requested to illustrate the level of service

and potential costs of a program, with the City's reservation of the right to negotiate on the service and costs.

All four responding organizations presented a body of experience that includes operation of shelter facilities and the capacity to provide wraparound services including meals, storage, mental health services, case management and other supports. Two service providers in particular have extensive knowledge of Whittier, are longstanding partners in the community, and are well known service providers within Service Planning Area 7 (SPA 7) which includes the City of Whittier.

Ultimately, The Salvation Army is the recommended service provider for a Whittier Navigation Center. The Salvation Army has extensive experience operating large-scale shelters including a 500-bed shelter in SPA 7, operates emergency and transitional shelters for 150 families in the region, and has also developed permanent supportive housing in the area. The organization is an approved contract partner of LAHSA, has created pop-up shelters in as little as 48 hours, and is already an authorized provider with access to the Homeless Management Information System (HMIS) implemented in Los Angeles County.

Furthermore, The Salvation Army is one of the largest service providers in Los Angeles County and the United States overall. Locally in late 2018 and early 2019, under agreement with the City of Anaheim, The Salvation Army developed and opened a 224-bed emergency shelter on property owned by The Salvation Army. This recent experience, along with their ongoing operations in Whittier and Santa Fe Springs, will likely prove invaluable to the City of Whittier.

The long-standing operation in Service Planning Area 7, coupled with The Salvation Army's ongoing partnerships with the service providers who perform outreach and case management services in the City of Whittier, including with PATH and First Day, plus the potential to negotiate for the use of an existing site at The Salvation Army's property located at 7926 Pickering Avenue in Whittier, result in the recommendation of The Salvation Army as a service provider for the future Whittier Navigation Center.

Creation of a 139-bed navigation center will require California Environmental Quality Act (CEQA) analysis and, depending upon the final location of the permanent Navigation Center, may also require creation or amendment of a Conditional Use Permit (CUP). Because both of these processes may take up to 16 weeks, a final negotiated agreement may not return back to the City Council for approval until late summer or early fall 2020. Thus, Council is asked to approve the selection of a service provider, direct staff to negotiate an agreement with the provider, and direct staff to initiate the appropriate environmental and planning processes, as applicable.

**FISCAL IMPACT**

Negotiation with The Salvation Army for a service provider agreement for a 139-bed navigation center will require *de minimis* staff time and attorney time, however, CEQA costs would likely be around \$1,500-2,000 and potential CUP processing costs could be \$5,000. The final service provider agreement and costs will appear before the Council at a future date.

**ATTACHMENTS**

None.





# Agenda Report

City Council

**Date:** May 12, 2020

**To:** Brian Saeki, City Manager

**From:** Shannon DeLong, Assistant City Manager  
Virginia Santana, Director of Parks, Recreation & Community Services

**Subject:** Hygiene facilities for persons experiencing homelessness during COVID-19 Pandemic

## **RECOMMENDATION**

Receive and file report on restroom and handwashing options and public facilities for emergency shelters during the COVID-19 Pandemic.

## **BACKGROUND**

In late March 2020, at the beginning of the Safer-At-Home orders from the Los Angeles County Health Officer due to the public health emergency created by the novel coronavirus known as COVID-19, Council explored various options for the City to participate in the response. One of the items Council directed staff to bring back was cost and potential locations for restroom and handwashing facilities for persons experiencing homelessness, given that a primary way to stem the spread of the COVID-19 virus is through handwashing. A second direction from Council was to work with Whittier First Day to understand the facility needs associated with potential expansion of services during the pandemic.

## **DISCUSSION**

### **Handwashing and Restroom Facilities:**

In light of the pandemic, the Los Angeles Homeless Services Authority (LAHSA) is placing hygiene stations around the County to ensure persons experiencing homelessness are able to access facilities while facilities such as parks, libraries and public buildings are closed. In late March, LAHSA contacted the City of Whittier regarding potential locations for handwashing stations; both are on the western edge of the City, just outside of the City limits. The locations are 11130 Washington Boulevard and 8917 Norwalk Boulevard.

LAHSA has increased funding with the Gateway Cities Council of Governments (COG) to reimburse member cities for individual arrangements for sanitation stations. This would allow the City to work with one or more vendors to supply and service handwashing stations and restroom facilities at City-selected sites. Invoices would be paid directly by the City and then submitted to the Gateway Cities COG for reimbursement.

**Agenda Item No. 14.C.**

Potential locations for restroom and/ or handwashing stations include:

- the Greenway Trail West Citrus Station Parking lot (Mar Vista/Whittier Boulevard)
- the metered parking lot on Philadelphia Street
- the dog park parking lot on Philadelphia Street and Gregory Avenue
- the Civic Center parking lot.

The cost for rental and once-a-day cleaning of 16 portable restrooms and four 2-station handwashing sinks on a Monday through Sunday basis, including delivery and pickup, is approximately \$20,000. While this cost would be reimbursed to the City, given the additional shelter beds to be added through the State's Project Roomkey (as outlined below), the question of expansion of sanitation facilities may be less urgent.

#### Facilities for Emergency Shelter Expansion

Initially, the City had been contacted by Whittier First Day to request additional public facilities for expansion of crisis beds due to the COVID-19 Pandemic. However, the County of Los Angeles is pursuing the State-funded Project Roomkey program to provide additional shelter for 15,000 persons experiencing homelessness. In addition, LAHSA has extended the Winter Shelter programs in some areas through September 30, 2020, further increasing the total number of available beds. Finally, in a companion report, the City Council will be asked to consider a recommendation for a service provider with which to negotiate the establishment of a navigation center, as contemplated under the City's settlement agreement with OC Catholic Workers.

#### **FISCAL IMPACT**

There is no fiscal impact related to this receive and file report.

#### **ATTACHMENTS**

- A. Los Angeles County CEO – COG Handwashing Station Program
- B. State of California Project Roomkey Frequently Asked Questions

County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**  
**OFFICE OF HOMELESSNESS**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 493, Los Angeles, California 90012  
(213) 893-7736  
<http://homeless.lacounty.gov>



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Chief Executive Officer

PHIL ANSELL  
Director

Board of Supervisors  
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Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

April 3, 2020

To: Council of Governments Executive Directors

From: Phil Ansell, Director *Phil Ansell*  
County of Los Angeles Homeless Initiative

**ASSISTANCE TO COUNCIL OF GOVERNMENTS AND CITIES TO MEET THE  
HYGIENE NEEDS OF PEOPLE EXPERIENCING HOMELESSNESS DURING THE  
COVID-19 PANDEMIC**

I am writing to notify you that on March 31, 2020, the Board of Supervisors authorized the Chief Executive Office (CEO) to amend existing agreements between the County and the Councils of Government (COGs) to enable cities to increase the availability of hygiene facilities for people experiencing homelessness.

In order to mitigate the spread of COVID-19 among people experiencing homelessness (PEH) and all residents of Los Angeles County, the County has allocated a portion of the emergency funds received from the State to assist cities to meet the hygiene needs of PEH. Funds will be allocated to the COGs in proportion to their share of the 2019 Point-In-Time (PIT) homeless count, similar to the methodology used for the COG/Cities' Innovation Funds to Combat Homelessness. The cities of Los Angeles and Long Beach will not receive funding through this allocation because they are receiving funding directly from the State; therefore, funds will be calculated based on the total PIT count excluding those two cities and the unincorporated areas.

*"To Enrich Lives Through Effective And Caring Service"*

## **Funding Plan**

The attached State Emergency Fund Allocation Plan (Attachment I) provides details regarding the amount of funding that COGs can access for this effort. The COG contracts will be amended to incorporate these funds and their intended use; however, please do not wait for these amendments to be executed to begin using the funds for this purpose.

## **Next Steps**

Funding for these efforts will be made available immediately and will be for a three-month period. Invoices may be submitted to: [hiadmin@ceo.lacounty.gov](mailto:hiadmin@ceo.lacounty.gov). Invoices should be submitted by COGs; however, COGs may simply transmit an invoice from an individual city submitted to the COG. Payment by the County will be sent to the COG.

If you have any questions or concerns regarding, please let me know or contact Rowena Magaña at [rmagana@ceo.lacounty.gov](mailto:rmagana@ceo.lacounty.gov). Thank you again for your partnership and assistance with this matter.

SAH:JJ:PA  
JR:RM:tv

Attachment

**State Emergency Funding Allocation Plan**  
**Funds to Assist Councils of Governments and cities to meet the hygiene needs of people experiencing homelessness (PEH) during the COVID-19 pandemic**

**Available Funding:**

A total of \$400,000 in State Emergency Funding is available to Council of Governments (COGs). COGs may utilize the funds for one or more of the following components:

- 1) Portable handwashing stations,
- 2) Deployment of portable toilets,
- 3) Utilization of existing city facilities to provide access to hygiene opportunities for PEH, and
- 4) Provision of incentives to private businesses within cities to allow PEH to utilize hygiene facilities.

**Methodology for Allocation of Funding for Hygiene Needs for PEH:**

- Funds will be allocated based on share of PIT Count. (See Tables 1 and 2 below)
- The County will amend existing COG contracts to incorporate this additional funding.
- COGs will establish a process to allocate their funds to member cities based on need within those cities.

**Table 1. COGs’ Share of 2019 PIT Count  
 (Excluding Unincorporated Areas and Cities of Los Angeles and Long Beach)**

	<b>PIT Count</b>	<b>Share of PIT Count</b>
<b>Antelope Valley</b>	1,228	9.5%
<b>Gateway Cities</b>	4,164	32.2%
<b>Las Virgenes-Malibu</b>	165	1.3%
<b>San Fernando Valley</b>	824	6.4%
<b>San Gabriel Valley</b>	3,663	28.3%
<b>South Bay Cities</b>	1,497	11.6%
<b>Westside Cities</b>	1,388	10.7%
<b>Total</b>	12,928	100.0%

**Table 2. Allocation of Funds for Hygiene Needs**

	<b>Share of \$400,000 Allocation</b>
<b>Antelope Valley</b>	\$37,995
<b>Gateway Cities</b>	\$128,821
<b>Las Virgenes-Malibu</b>	\$5,105
<b>San Fernando Valley</b>	\$25,495
<b>San Gabriel Valley</b>	\$113,320
<b>South Bay Cities</b>	\$46,318
<b>Westside Cities</b>	\$42,946
<b>Total</b>	\$400,000

**Additional Information on Portable Handwashing Stations, showers, and hygiene stations:**

- During the week of March 23, 2020, the County, in partnership with the Los Angeles Homeless Services Authority, deployed 100 new portable handwashing stations in each of the eight Service Planning Areas (SPAs) within the County that were identified by outreach workers as “hot spots” with densely populated homeless encampments.
- For a comprehensive list of the handwashing stations, showers, and hygiene centers throughout the County, as well as an interactive map, please see the following resources.
  - For the list, please visit: <https://www.lahsa.org/documents?id=4340-hygiene-services-locations.pdf>
  - For the map, please visit: <https://lahsa.maps.arcgis.com/apps/View/index.html?appid=20da4ef768994b469bf0cc073047a014>

**Eligible Uses of Funding for Hygiene Opportunities for PEH:**

- 1) COGs should coordinate with their member cities to determine where to deploy additional portable handwashing stations.
- 2) Deployment of portable toilets with appropriate security and/or monitoring protocols in place. The County recommends that cities work with their local police departments or other city staff to ensure proper oversight of any portable toilets that are placed in the city.
- 3) Utilization of existing city facilities to provide access to hygiene opportunities for PEH. This could include re-opening recreation centers/swimming pools, extending hours of park bathrooms, or the use of other city facilities, as long as it does not conflict with current public health orders regarding COVID-19. Any use of public facilities must allow for appropriate social distancing practices.
- 4) Provision of incentives to private businesses within cities to allow PEH to utilize hygiene facilities, as long as it does not conflict with current public health orders regarding COVID-19. Any use of private businesses must allow for appropriate social distancing practices.

## FREQUENTLY ASKED QUESTIONS

### Project Room Key

- **A collaboration with the hospitality sector to save lives**

***"Do it and do it now. Err on the side of taking action."***

— Bill Marriott

### **What is Project Room Key?**

Project Room Key is a collaborative effort by the State, County and the City of Los Angeles to secure hotel and motel rooms to provide a way for neighbors who don't have a home to heed the County Health Order to stay inside and be protected from the spread of Coronavirus.

Tens of thousands of people are experiencing homelessness in our County. During the pandemic, the elderly and medically compromised among them are particularly vulnerable to becoming critically ill and dying if they are exposed to the virus. Not only are lives at risk, but our hospitals could be overwhelmed if the virus spreads in this fragile population.

### **Why should I participate in Project Room Key?**

Project Room Key is an opportunity for the hospitality industry to step up and save lives. A chance to convert its values of welcoming and serving people into a life-saving endeavor. Recognizing how hard the crisis has been for this sector, the program also offers economic relief for the hotels and motels who participate through these business transactions. We see an opportunity for mutual business and public health benefits to your voluntary participation in the program. We want to support you, so you can support us.

### **What are the business terms?**

The County will enter into an Operating Agreement with your hotel or motel for a 90-day period, with options to extend. The County will pay your hotel a reasonable, agreed-to daily rate based on actual occupancy at the hotel. At the end of the term of the Agreement, the County will return the property to you in the condition it was received .

The hotel's services, among others, will include:

- Standard housekeeping & janitorial services
- Laundry service
- Check-in / desk service

**Who will be staying at the hotel?**

Your hotel rooms will be temporary shelter for individuals who are 65 years of age or older, who are medically compromised, or who otherwise are at risk of serious illness and death due to COVID-19, and who are experiencing homelessness. Guests are not COVID-19 symptomatic and are screened a minimum of twice daily for symptoms.

**What services will the County provide?**

The Los Angeles Homeless Services Authority (LAHSA) will contract with a service provider experienced in working with people experiencing homelessness to operate this program at your hotel. Staffing will include a Client Services Manager, Case Managers and Residential Monitors overnight. These social services professionals will offer support and care to guests, responding to needs as they arise and connecting guests with external (telephonic) resources as necessary. They will monitor guest behavior to ensure program rules are followed, provide daily mental health and wellness checks of guests, and respond to crises that might arise.

**Who is responsible for security?**

The County has contracted for private security services and will provide your hotel with security personnel 24 hours per day. The County will provide one professional security guard for every 50 rooms. In addition, County workers and staff from non-profit homeless services providers will supplement this third-party staffing at your hotel, monitoring the guests and enhancing the safety of the property.

**How will meals be provided?**

The County has independently contracted with a food service vendor who will deliver guests with three meals a day. County or contracted staff will assist in delivering these meals to guests' rooms.

**What if guests have a mental illness or behave erratically?**

These are challenging times for all Angelenos as we confront fears about our health and the difficulty of living apart from each other. The service provider on-site at your hotel has experience working with people who could face mental health challenges or otherwise struggle during these times. It will have staff on-site 24 hours a day with the skills to de-escalate agitated situations. These staff will employ crisis intervention techniques that can effectively and successfully defuse heightened emotions.

**Is there any screening of guests?**

An on-site healthcare provider will screen all guests at least twice daily for COVID-19 symptoms and provide assistance if a higher level of care is required. Guests staying at your hotel are people experiencing homelessness who are older than 65



or have complicating medical conditions, like respiratory disease, heart disease, cancer, diabetes, or are immunocompromised. Guests who meet these criteria will be referred by homeless service providers and others serving the community; no walk-up guests will be permitted. The program's focus is to help as many vulnerable people as possible to shelter inside.

### **How will guests be expected to behave?**

Guests staying at your hotel as part of this program will be expected and reminded to treat the property, the staff, and the other guests with respect. Upon arrival, staff will review the rules and standards of behavior for your property with guests. Guests will be expected to keep their room orderly and free from debris. Those who are not part of the program will not be allowed to visit guests. Alcohol and drugs will not be permitted on the hotel property. Acts of actual or threatened violence will result in immediate termination from the program.

### **Will hotel staff be safe from COVID-19 infection?**

In addition to guests, the on-site healthcare provider will screen all hotel staff and vendors before they are allowed to enter the hotel and on a regular basis throughout the day. Screening verifies that staff is healthy and helps to ensure that vulnerable guests stay safe. To protect both staff and guests from possible infection, social distancing will be practiced and hotel staff interaction with guests will be minimized.

### **Will guests be allowed to leave their rooms or congregate?**

The goal of Project Room Key is to offer those who are experiencing homelessness and are vulnerable to COVID-19 a place to shelter inside as mandated by the County Public Health Order. Guests are expected to abide by the Health Order, which means only leaving their rooms to engage in critical activities, like going to the pharmacy or grocery store, taking a walk, or visiting the doctor. Guests are allowed to engage in these activities from the morning until no later than 10 PM and are educated in the need to practice social distancing when outside of their rooms. Congregating with non-household members won't be allowed.

### **How will check-in/out be handled?**

Your hotel should follow its normal check-in and check-out procedures so that the County can be billed appropriately for occupied rooms. The on-site service provider will lend assistance to any guest that needs support with that process. At guest check-in and check-out, hotel staff will inspect each room, accompanied by the on-site service provider, to document and confirm its condition.

**What happens if there is damage to a room or hotel property?**

The County will be responsible for the cost to repair damage to the room or hotel property caused by guests, the County or its vendors.

**How will Transient Occupancy Tax (TOT) be paid?**

The County will be responsible for the cost of any Transient Occupancy Tax (TOT) charged to the hotel.