

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
BOND FINANCING PROGRAM
Meeting Date: October 20, 2020**

Request to Approve Final Resolution Authorizing the Issuance of Taxable Bond Anticipation Notes (BANs) Relating to Financing of District Heating and Cooling, Sewage Recycling and Water Furnishing Facilities

Prepared by: Andrea Gonzalez

Applicant:	Mission Rock Utilities, Inc. and/or its affiliates	Amount Requested in Taxable Bond Anticipation Notes:	\$25,000,000
		Application No.:	934
Project	City of San Francisco	Final Resolution No.:	20-01-600
Location:	(San Francisco County)	Prior Actions:	IR approved 6/19/2020

Summary. Mission Rock Utilities, Inc. and/or its affiliates (the “Company”) requests approval of a Final Resolution for an amount not to exceed \$25,000,000 in taxable bond anticipation notes (BANs) for the acquisition, construction, and/or installation of facilities for the collection and treatment of blackwater for the purpose of treating sewage and furnishing water, including a blackwater recycling system and related facilities, and for local district heating and cooling, including the construction of a district energy system and related facilities, all of which will be located in the City and County of San Francisco, California.

Borrower. Mission Rock Partners (comprised of the San Francisco Giants and Tishman Speyer) established Seawall Lot 337 Associates, LLC (Seawall Lot 337 Associates) as master developer for the Mission Rock development in San Francisco. As part of this development Mission Rock Utilities, Inc. (MRU) was created in order to develop the thermal energy and black water recycling systems for a new mixed-use waterfront neighborhood located in downtown San Francisco. Mission Rock Utilities, Inc. is a non-stock corporation and was organized on December 13, 2019. Seawall Lot 337 Associates is providing a guarantee on the repayment of the principal if the BANs are not redeemed by the maturity date.

Legal Status Questionnaire. The Staff has reviewed the Company’s responses to the questions contained in the Legal Status Questionnaire portion of the Application. No information was disclosed in the Legal Status Questionnaire portion of the Application that raises questions concerning the financial viability or legal integrity of this applicant.

Taxable Issuance Administrative Fees. The Company has paid an application fee of \$5,000 and will pay an administrative fee of \$20,000 at closing. The Company will also be charged an annual fee of .0005 (5/100 of 1%) of the outstanding balance yearly. The minimum annual fee is \$1,000 and the maximum annual fee is \$75,000.

Small Business Assistance Fund (SBAF) Contribution. The Company is a large business and will contribute up to \$75,000 to the California Pollution Control Financing Authority’s (CPCFA) SBAF at closing.

Prior Financings. None.

Mission Rock Project. Mission Rock is a new mixed-use waterfront neighborhood in downtown San Francisco, comprised of 11 new buildings, eight acres of parks and open space, 40% affordable housing, and a unique mix of neighborhood serving retail. Together, Seawall Lot 337 Associates, the City of San Francisco, the Port of San Francisco, and the local community developed a comprehensive master use plan for Seawall Lot 337 and Pier 48. The entire Mission Rock development is expected to be built over four phases. Phase I of development will involve four buildings, including a mix of commercial, residential, and retail. Construction of Phase I is targeted to commence in 2020.

A cornerstone of the Mission Rock project is its Sustainability Strategy, which calls for advanced environmental stewardship and strategy. To meet the goals of the Sustainability Strategy, Seawall Lot 337 Associates has developed a resilient, reliable and cost-effective utility program that sustainably meets the utility needs of the buildings' owners and tenants. These utility systems will be flexible and adaptable to the changing needs of the customers, and utility system technologies. MRU has selected EG Services, LLC as its utility system partner to achieve these goals.

Seawall Lot 337 Associates has established a non-stock corporation called Mission Rock Utilities, Inc. for the thermal energy and blackwater recycling systems. MRU's business will be 100% debt-financed, with potential support through project public financing sources, based on long-term utility service agreements that will require each property at Mission Rock to be a customer of the utility systems. Utility rates will be cost-based and will include provisions for required working capital, reserve, debt service, and all operational costs. The thermal energy and blackwater recycling systems will be financed in phases through MRU and external financing, with the initial construction expected to total approximately \$30 million.

Blackwater Recycling System Plant ("BRS plant"): The BRS plant is an advanced water recycling facility that will treat a portion of the blackwater and greywater from the Mission Rock development (which includes wastewater collected from toilets, showers and sinks) to meet the non-potable water needs of buildings in the Mission Rock development, as well as associated green space. The primary non-potable water needs of the site will be irrigation and toilet flushing, along with the water required for the cooling towers to operate (makeup water). The total average blackwater inflow at the facility will be approximately 55,000 gallons per day, with a maximum design capacity of producing approximately 43,000 gallons of recycled non-potable water outflow per day. The BRS plant's size is designed to meet the San Francisco Public Utilities Commission's (SFPUC) non-potable water requirements for the full Mission Rock development project.

District Energy System Plant ("DES plant"): The DES plant's shared energy plant will supply hot and cold water to the development through a network of underground pipes to meet the heating and cooling needs of all buildings in the Mission Rock development. The DES plant will contain district heating and cooling equipment for the entire development, which will replace the need to have this type equipment inside each building. Ultimately, the DES plant is anticipated to integrate a bay water energy exchange system for both heating and cooling once the Mission Rock development is fully built-out. This bay water exchange system, which will pair bay water from

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the San Francisco Bay with heat pumps to meet heating and cooling needs, will reduce carbon and conserve millions of gallons of water per year. The initial system will utilize cooling towers using non-potable water from the BRS plant. The bay water energy exchange system will not be constructed during Phase I of the development and, therefore, will not be financed with the initial bond anticipation notes or the taxable or tax-exempt bonds.

Community Facilities District: A Community Facilities District (“CFD”) was formed over the Mission Rock project area by the City in 2020, pursuant to the San Francisco Administrative Code Special Tax Financing Law. Seawall Lot 337 Associates, LLC (Master Developer) and Mission Rock Horizontal Sub (Phase 1), L.L.C. (“Phase 1 Developer”), under their obligations of the Development and Disposition Agreement with the City of San Francisco, acting by and through the Port of San Francisco, will be completing infrastructure improvements on the project site including site preparation, grading, ground improvements, streets, utilities and streetscape improvements (“Phase 1 Horizontal Improvements”). The Disposition and Development Agreement in place between the Horizontal Developer and the Port of San Francisco includes an agreed return for costs incurred under the agreement. The costs of these Phase 1 Horizontal Improvements and an agreed return are to be repaid to the Phase 1 Developer through a variety of repayment sources including CFD bond proceeds. The majority of these improvements will be accepted by the Port of San Francisco and other City agencies through an acquisition agreement after completion. Included in the Phase 1 Horizontal Improvements being completed by the Phase 1 Developer are the portion of the distribution piping elements that will be located within the streets. These improvements will be permitted and built by the Phase 1 Developer in coordination with MRU, are authorized to be transferred to MRU upon completion, and the cost of the improvements will be repaid to the Phase 1 Developer through CFD bond proceeds. MRU will ultimately own and operate the complete system, including the distribution components built by the Phase 1 Developer and transferred to MRU and the district energy thermal, distribution and blackwater treatment systems built directly by MRU.

Current Request for Taxable BANs. The construction financed by the taxable BANs is expected to include distribution piping for the BRS and DES, BRS underground tank and structure, and DES thermal energy and electrical equipment. Additional items may include DES chiller equipment, cooling towers, and boiler equipment; a BRS lift station and BRS processing equipment.

The anticipated project costs are listed below:

Acquisition and Installation of New Equipment (Invoice)	\$3,080,890
Acquisition and Installation of New Equipment (Installation)	1,320,381
Engineering/Architecture	79,974
Legal, Permits	590,409
Bond Issuance Expenses	590,000
Interest During Construction (11/2020 to 10/2021)	1,000,000
Interest During Construction (11/2021 to 10/2023)	2,000,000
Construction Contingency Funding	16,181,544
Operating Cost	<u>156,802</u>
Total:	<u>\$25,000,000</u>

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Note: The project costs reported in the Borrower's application and shown here in staff's report are estimated costs. At the time this financing closes, the estimated project costs will be finalized and stated in a closing certificate of the Borrower. Variations from the costs shown in the application and in this report may occur prior to the closing due to increased costs of certain components of the project from original estimates, and other reasons. In addition, such costs may vary after closing due also to increased costs, as well as common design and equipment modifications during construction, differences in equipment due to future changes in law or regulation or for other reasons.

Future Request for Taxable and Tax-Exempt Bonds. Completion of the Phase I development will require issuance of additional taxable and tax-exempt bonds. The Company will submit a final application to the Authority requesting the issuance of not to exceed \$45,000,000 of such revenue bonds. These additional bonds will fund the completion of Phase I construction and will refund all or a portion of the taxable BANs.

Anticipated Project Timeline. The Phase I of development will involve the construction of four buildings, including a mix of commercial, residential and retail. Construction of Phase I is targeted to commence in November 2020.

CDLAC Allocation: Since this is a taxable BAN issuance, no allocation is required by the California Debt Limit Allocation Committee (CDLAC).

Local Government. The Company received a letter of support from Harlan Kelly, Executive Director of the San Francisco Public Utilities Commission (see Attachment A).

Pollution Control and/or Environmental Benefits. The Company represents the project will generate the pollution control and environmental benefits described below.

Sustainability. The Mission Rock Development is participating in the San Francisco Eco-District program. EcoDistricts are neighborhood scale public-private partnerships that strengthen the economy and reduce environmental impacts while creating a stronger sense of place and community. The Mission Rock Development is looking to maximize this potential to deliver a sustainable, low-carbon neighborhood.

The Port of San Francisco and Seawall Lot 337 Associates included a Sustainability Strategy as a component of their Disposition and Development Agreement. Mission Rock's Sustainability strategy provides comprehensive approach to achieve Mission Rock's goal of becoming a model for sustainable development in the city. Multiple sustainable site strategies have been evaluated to inform the targets and strategies included in the Sustainability Strategy. Important performance goals related to the District utilities include:

- **Energy:** Sustainability goal to meet 100% of its building energy demands through renewable energy;
- **Greenhouse Gas (GHG) Emissions:** Target of a 50% reduction in GHG emissions; and
- **Water:** Meet 100% of non-potable water demand with non-potable sources.

The MRU DES reduces energy usage as compared to standard in-building systems by leveraging a closed-loop system to exchange energy between the various buildings' mechanical systems, reducing the combustion of natural gas for the production of heat, and lowering carbon dioxide

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(CO₂) emissions. When coupled with the black water recycling system financed by Phase 1, the use of the local utility’s potable water and sewer system in the production of thermal energy will be significantly reduced. The projected environmental benefits of the Phase 1 MRU DES include an annual reduction of energy usage by 9,973 MMBtu, water and non-potable water usage reduction of 683,000 gallons per year, sewer usage reduction of 278,000 gallons per year, and CO₂ reduction of 672 tons per year.

Permitting and Environmental Approvals. The Company has provided Staff with copies of all applicable permits and agreements listed below for the pre-construction and construction of the project, including discretionary approvals under the California Environmental Quality Act (CEQA):

Permit and Agreements	Leading Agency	Date Received
Pre-Construction		
Mission Rock Design Control	SF Port Commission	3/9/2018
Mitigation Monitoring and Reporting Program (MMRP)	City and County of San Francisco	3/9/2018
San Francisco Bay Conservation and Development Commission Permit	Bay Conservation and Development Commission	6/29/2018
Disposition and Development Agreement (DDA)	SF Port Commission	3/9/2018
Development Agreement (DA)	SF Port Commission	3/9/2018
Water Budget	SF Public Utility Commission	3/4/2020
Non-Potable Water System Implementation Plan 1	SFPUC	3/30/2020
Non-Potable Water System Implementation Plan 2	SF Department of Public Health	6/1/2020
Notice of Determination	City and County of San Francisco	3/9/2018
CEQA Final Environmental Impact Report (EIR)	City and County of San Francisco	3/9/2018
Construction-		
Foundation Permit Building A	Department of Building Inspection	Under review
Foundation Permit Building B	Department of Building Inspection	Under review
Street Improvement Permit (SIP)	SF Department of Public Works	Under review

The following will be submitted after construction has commenced:

Permit and Agreements	Leading Agency	Status
Plumbing Plan Check	Department of Building Inspection	To be submitted
Arch+MEP Permit Bldg A	Department of Building Inspection	To be submitted
Arch+MEP Permit Bldg B	Department of Building Inspection	To be submitted
Cross-Connection Test	SF Public Utility Commission and SF Department of Public Health	To be submitted

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Financing Details. The Company anticipates a limited offering of non-rated, fixed rate, taxable BANs in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof and a restriction on transfers to a “Qualified Institutional Buyer”, as defined in Rule 144A of the Securities Act of 1933, in minimum denominations of \$250,000 or any integral multiple of \$5,000 in excess thereof with a term not to exceed 3 years. In addition to funding costs of the project and costs of issuance, proceeds of the Notes will also be used to fund capitalized interest and an account that will pay expenses due to the Authority under the Loan Agreement prior to any refunding of the Notes. The target date for financing is November 10, 2020. The Company anticipates to repay the BANs from a future financing, which the Company expects to request from the Authority in June 2021.

Financing Team.

Underwriter: Piper Sandler & Co.
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Issuer’s Counsel: Office of the Attorney General
Trustee: U.S. Bank National Association

Staff Recommendation. Staff recommends approval of Final Resolution No. 20-01-600 for an amount not to exceed \$25,000,000 in taxable BANs for Mission Rock Utilities, Inc. and/or its affiliates.

Attachment A



525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3488

November 18, 2019

Via e-mail communication

Elaine Forbes, Executive Director
Port of San Francisco
Pier 1, The Embarcadero
San Francisco, CA 94111

Re: Mission Rock Project and Mission Rock Utilities, Inc.

Dear Executive Director Forbes:

A new mixed-use neighborhood is being developed within the City of San Francisco called the Mission Rock Project, which will include market and affordable rental housing, parks and open space and public waterfront access, as well sea level rise resiliency and adaptation features and historic rehabilitation of Pier 48 (the "Mission Rock Project" or the "Project"). As the General Manager of the San Francisco Public Utilities Commission ("SFPUC"), a public utility that provides customers in San Francisco with high quality, efficient and reliable water, power and sewer services, I understand the importance of providing such services in a manner that is inclusive of the environmental and community interests. My understanding is that the developer of the Project intends to water, power and sewer services by contracting with a private company that will develop and construct a blackwater system and provide those services in a manner that reflects these mutual interests in quality, efficiency and sustainability.

As you know, the Mission Rock Project must comply with the Alternate Water Sources for Non-Portable Applications Ordinance, commonly known as the Non-potable Water Ordinance set forth in Article 12C to the San Francisco Health Code ("Ordinance"). The Ordinance establishes a policy that the City shall use only non-potable water for the purpose of irrigating and cleaning parks, streets and other public places and requires large development projects like the Project to, among other things, meet flushing and irrigation demands through the collection and reuse of rainwater, drainage and graywater. Onsite water reuse systems help support efforts to implement sustainable water practices in San Francisco and reduce the burdens on local governmental agencies that are responsible for potable water supply.

The SFPUC understands that: (1) the developer is the responsible party for providing water, power and sewer services to the Project and complying with the Ordinance; (2) the responsibility for the ongoing operation and maintenance of the planned blackwater system will be transferred to a master association, which will be formed in conjunction with the Project; (3) a new nonprofit

- London N. Breed Mayor
Ann Moller Caen President
Francesca Vietor Vice President
Anson Moran Commissioner
Sophie Maxwell Commissioner
Tim Paulson Commissioner
Harlan L. Kelly, Jr. General Manager

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



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corporation, to be known as Mission Rock Utilities, Inc., will be formed to operate and maintain the blackwater treatment system; and (4) a service agreement will be executed between the master association and Mission Rock Utilities, Inc. The Mission Rock Project will provide SFPUC copies of the agreements setting forth each of the parties' obligations, rights, and authority related to the Project, and acknowledging that the owner of the common areas (i.e. master association), not Mission Rock Utilities, Inc., is responsible for complying with the Ordinance for the life of the development.

The SFPUC agrees that sustainability, water conservation and renewable energy goals for the Mission Rock Project can be met through the formation of a nonprofit entity to assist the developer and its successors in fulfilling their responsibilities to the Mission Rock Project and compliance with the Ordinance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Harlan L. Kelly, Jr.", written in a cursive style.

Harlan L. Kelly, Jr.
General Manager
San Francisco Public Utilities Commission

**FINAL RESOLUTION OF THE
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
RELATING TO FINANCING OF DISTRICT HEATING AND COOLING, SEWAGE
RECYCLING AND WATER FURNISHING FACILITIES FOR
MISSION ROCK UTILITIES, INC. AND/OR ITS AFFILIATES**

October 20, 2020

WHEREAS, the California Pollution Control Financing Authority (the “Authority”) has received the application of Mission Rock Utilities, Inc., a Delaware corporation (the “Borrower”), for financial assistance to finance and refinance the acquisition, construction, and/or installation of facilities for local district heating and cooling, including the construction of a district energy system and related facilities, and for the collection and treatment of blackwater for the purpose of treating sewage and furnishing water, including a blackwater recycling system and related facilities, located in the City and County of San Francisco, all as more particularly described in the Term Sheet (the “Term Sheet”) attached hereto as Exhibit A and incorporated herein (the “Project”); and

WHEREAS, the Borrower has requested the Authority to issue bond anticipation notes from time to time in an amount not to exceed \$25,000,000 to assist in the financing of the Project; and

WHEREAS, the proceeds of such notes will be loaned to the Borrower under a loan agreement with the Authority, and Seawall Lot 337 Associates, LLC, a Delaware limited liability company (the “Guarantor”), has agreed to pay the principal of such notes upon maturity thereof if such notes are not earlier redeemed pursuant to a note payment agreement (the “Note Payment Agreement”) between the Guarantor and the trustee named in the Term Sheet (the “Trustee”); and

WHEREAS, the Borrower has caused a form of the Note Payment Agreement to be prepared and placed on file with the Authority prior to this meeting; and

WHEREAS, the Borrower has submitted an initial application, and the Authority has approved its Initial Resolution, relating to the issuance of the Authority’s revenue bonds, and the Borrower expects to submit a final application to the Authority requesting the issuance of not to exceed \$45,000,000 of such revenue bonds to assist in the financing and refinancing of the Project, including the refunding of all or a portion of such notes; and

WHEREAS, the Borrower has provided or will provide prior to the note sale documentation to the Authority demonstrating that the Project has complied with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), or is not a project under that division; and

WHEREAS, final approval of the terms of such notes and certain documents relating to such notes is now sought;

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Project constitutes a “project,” and the Borrower is a “participating party,” both within the meaning of the California Pollution Control Financing Authority Act (Division 27 (commencing with Section 44500) of the Health and Safety Code) (the “Act”).

Section 2. Pursuant to the Act, limited revenue obligations of the Authority, designated as the “California Pollution Control Financing Authority Pollution Control Bond Anticipation Notes (Mission Rock Utilities, Inc. Project) Series 2020 (Federally Taxable)” (the “Notes”), or such alternate designation as may be approved by the Executive Director or Deputy Executive Director of the Authority, in an aggregate principal amount not to exceed \$25,000,000 are hereby authorized to be issued. The Notes may be issued at one time, or from time to time, in one or more series separately or differently identified, in a taxable mode, in accordance with the Indenture (as hereinafter defined) as finally executed. The proceeds of the Notes shall be used to make a loan to the Borrower to finance a portion of the Project (including, without limitation, reimbursing the Borrower for costs incurred for the Project prior to the issuance of the Notes and including capitalizing interest on the Notes) and to pay a portion of the costs of issuance of the Notes.

Section 3. The Treasurer of the State of California (the “Treasurer”) is hereby authorized to sell the Notes, at one time or from time to time on or before December 31, 2020, by negotiated sale, at such price and at such interest rate or rates as she may determine, such determination to be as set forth in the hereinafter referred to Purchase Contract.

Section 4. The following documents:

(i) a loan agreement relating to the Notes (the “Loan Agreement”), between the Authority and the Borrower;

(ii) an indenture relating to the Notes (the “Indenture”), between the Authority and the Trustee;

(iii) a bond purchase contract relating to the Notes (the “Purchase Contract”) among the Authority, the Treasurer of the State of California, as agent for sale, and the underwriter named in the Term Sheet (the “Underwriter”), and approved by the Borrower; and

(iv) a limited offering memorandum (in the form of either the “Preliminary Limited Offering Memorandum” or the final “Limited Offering Memorandum”) to be used in connection with the offering and sale of the Notes; are hereby approved in substantially the forms on file with the Authority prior to this meeting, with such insertions, deletions or changes therein in substantial conformance with the Term Sheet as the officer(s) executing and/or delivering the same may require or approve, such approval to be conclusively evidenced by execution and delivery thereof in the case of the Loan Agreement, the Indenture and the Purchase Contract, and by delivery thereof in the case of the Limited Offering Memorandum.

Section 5. Any modification to the Project made prior to the issuance of the Notes shall be reported to the Executive Director or Deputy Executive Director of the Authority, and such modification shall be subject to further approval by the Authority.

Section 6. Any material changes to the note sale structure prior to the issuance of the Notes are subject to further approval by the Authority.

Section 7. The Authority understands and agrees that pursuant to the terms of the Loan Agreement the obligations of the Borrower may, under some circumstances, be carried out or assumed by a successor or assignee entity or by Affiliates of such Borrower. For purposes of this Resolution, an “Affiliate” of the Borrower means any person or entity which meets the definition of “Participating Party” in the Act and controls, is controlled by, or is under common control with, the Borrower, as shown by the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through majority equity ownership, contract or otherwise.

Section 8. The dates, maturity dates, interest rate or rates, interest payment dates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of each series of the Notes shall be as provided in the Indenture, as finally executed.

Section 9. The Notes shall be sold through a limited offering by the Underwriter. Subject to the limitations set forth in Exhibit B hereto, the Underwriter is hereby authorized to distribute the Preliminary Limited Offering Memorandum to “Qualified Institutional Buyers,” as they are defined under the Securities and Exchange Commission Rule 144A, promulgated under the Securities Act of 1933, who may be interested in the purchase of the Notes in connection with such limited offering. The Underwriter is hereby directed to deliver a copy of the final Limited Offering Memorandum to all actual purchasers of the Notes.

Section 10. The Notes shall be executed by the manual or facsimile signature of the Chairperson or any Deputy to the Chairperson and the seal of the Authority shall be affixed thereon (or a facsimile reproduced thereon) in the form set forth in and otherwise in accordance with the Indenture. The Notes, when executed, shall be delivered to the Trustee under the Indenture for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate the Notes by executing the Trustee’s certificate of authentication appearing thereon. The Trustee is hereby requested and directed to deliver the Notes, when duly executed and authenticated, to The Depository Trust Company, New York, New York, on behalf of the Underwriter in accordance with written instructions executed on behalf of the Authority, which instructions are hereby approved. Such instructions shall provide for the delivery of the Notes to The Depository Trust Company, on behalf of the Underwriter thereof, upon payment of the purchase price thereof.

Section 11. Each officer of the Authority, acting alone, is hereby authorized and directed to do any and all ministerial acts that the officer may deem necessary or advisable in order to consummate the issuance, sale, delivery or remarketing of the Notes, and otherwise to effectuate the purposes of this Resolution and the Loan Agreement, the Indenture and the Purchase Contract. The Authority hereby approves any and all documents to be executed or delivered in furtherance of the foregoing purposes, including, without limitation, any note payment agreement or guaranty agreement, certifications and closing certificates.

Section 12. The provisions of the resolution of the Authority entitled “Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings” adopted by the Authority on January 15, 2019 (the “Delegation Resolution”), apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference. This Section 12 shall be deemed to refer to and incorporate any resolution of a similar nature adopted hereafter by the Authority which replaces or supersedes the Delegation Resolution.

Section 13. The provisions of the Initial Resolution No. 20-02, approved by the Deputy Executive Director of the Authority, on behalf of the Authority, on June 19, 2020, pursuant to her delegation authority, apply to the documents and actions approved in this Resolution, and the provisions of such resolution are incorporated herein by reference.

Section 14. The Authority hereby approves and ratifies each and every action taken by its officers, agents, members and employees prior to the date hereof in furtherance of the purposes of this Resolution.

Section 15. This Resolution shall take effect immediately upon its passage. The adoption by the Authority of this Resolution for the Borrower shall not be referred to in any application before any government agency as evidence of the feasibility, practicality or suitability of the Project or in any application for any required permission or authority to construct or operate the Project.

EXHIBIT A

TERM SHEET

Name of Issue: California Pollution Control Financing Authority
Pollution Control Bond Anticipation Notes
(Mission Rock Utilities, Inc. Project) Series 2020
(Federally Taxable) (the “Notes”)

Maximum Amount of Issue: \$25,000,000 (taxable)

Issuer: California Pollution Control Financing Authority

Borrower: Mission Rock Utilities, Inc.

Guarantor: Seawall Lot 337 Associates, LLC

Trustee: U.S. Bank National Association

Underwriter: Piper Sandler & Co.

Bond Counsel: Orrick, Herrington & Sutcliffe LLP

Project: Note proceeds will finance the acquisition, construction, and/or installation of facilities for local district heating and cooling, including the construction of a district energy system and related facilities, and for the collection and treatment of blackwater for the purpose of treating sewage and furnishing water, including a blackwater recycling system and related facilities, to be located at Seawall Lot 337, San Francisco, California

Maximum Note Term: Not to exceed three (3) years

Type of Sale: Negotiated limited offering to Qualified Institutional Buyers as defined in Rule 144A under the Securities Act of 1933

Description of Minimum Denominations: \$250,000 or any integral multiple of \$5,000 in excess thereof

Financing Structure: Fixed Rate

Other Credit Enhancement: Not applicable

Anticipated Bond Rating: Unrated

Type of Financing: Pollution control bond anticipation notes

Prepared by: Nick Hagen, (612) 303-6661

EXHIBIT B

SALE AND REMARKETING GUIDELINES

1. Purchasers of the Notes (in both primary and secondary markets) limited to “Qualified Institutional Buyers” (“QIBs”), as QIBs are defined in Securities and Exchange Commission (“SEC”) Rule 144A, promulgated under the Securities Act of 1933 (the “Securities Act”).
2. Notes may be initially placed with no more than 35 QIBs.
3. Notes must be issued in minimum denominations of \$250,000 or any integral multiple of \$5,000 above this amount, with the requirement that all Notes must equal the chosen denomination.
4. All sale restriction information must be prominently printed on the cover and described in the body of any offering materials. The Indenture’s “Registration and Transfer of Notes” section must clearly describe all sale and purchase restrictions, and the Note certificates in their legends must note all sale and purchase restrictions.
5. Participatory shares of Notes in trusts may be sold only to QIBs. Trust shares must be sold only in increments equal to the Note’s minimum denomination.
6. The initial purchasers shall provide the Authority with an Authority Investor Letter, in the form attached as an appendix to the Limited Offering Memorandum.