

**SAN RAMON VALLEY FIRE PROTECTION DISTRICT  
FINANCING CORPORATION  
BOARD OF DIRECTORS MEETING**

**August 26, 2020 – 1:00 p.m.**

*Don Parker, Board President  
Matt Stamey, Board Vice-President  
Ryan Crean, Director, H. Jay Kerr, Director, Dominique Yancey, Director*

**~MISSION STATEMENT~**

*In the spirit of our tradition, we strive for excellence, respectfully serving all with pride, honor and compassion.*

***Consistent with California Governor's Executive Order N-29-20 promoting social distancing, there will be no physical or in-person meeting location available to the public. Instead, the meeting will be conducted by teleconference. The meeting will be accessible for all members of the public to attend and give public comment via the District's website, by emailing [PublicComment@srvfire.ca.gov](mailto:PublicComment@srvfire.ca.gov). Please make sure comments are submitted prior to 1 p.m. August 26, 2020.***

***Zoom for Government by Video:***

From a PC, Mac, iPhone, Android, or iPad device click on:

<https://srvfpd.zoomgov.com/j/1606113912?pwd=Tk9HZ3F6a3NocXp6YnpkZlVIM0tKdz09>

Webinar ID: 160 611 3912

Webinar Passcode: SRVF

***By Phone:***

*Dial-in Number: (669) 254-5252*

*Meeting ID: 160 611 3912*

**TELECONFERENCE PARTICIPANTS**

**BOARD MEMBERS RYAN CREAN, H. JAY KERR, DOMINIQUE YANCEY, VICE PRESIDENT MATT STAMEY, AND BOARD PRESIDENT DON PARKER WILL PARTICIPATE BY TELECONFERENCE PURSUANT TO GOVERNOR NEWSOM'S EXECUTIVE ORDER N-29-20**

PURSUANT TO THE RALPH M. BROWN ACT, GOVERNMENT CODE SECTION 54953, ALL VOTES SHALL BE BY ROLL CALL DUE TO BOARD MEMBERS CREAN, KERR, YANCEY, VICE PRESIDENT STAMEY, AND BOARD PRESIDENT PARKER PARTICIPATING BY TELECONFERENCE

**This meeting will be available to District Residents via the District's website at**

<https://www.firedepartment.org>

**ATTENTION: Members of the public may submit comments via email prior to the meeting to [PublicComment@srvfire.ca.gov](mailto:PublicComment@srvfire.ca.gov), which should designate the Agenda Item Number for which the comment is being submitted if the comment pertains to an Agenda Item. All comments received prior to the start of the meeting will be read into the record by the District Clerk during Public Comment. The time allotted for each public comment is determined by the Board President and may be up to a maximum of three (3) minutes.**

**AGENDA**

1. **CALL TO ORDER**
2. **DETERMINATION OF QUORUM AND CONFIRMATION OF AGENDA**
3. **PUBLIC COMMENT \*Please see language on Page 1 pertaining to Public Comment\***
4. **NEW BUSINESS**
  - 4.1 Resolution of the Board of Directors of the SRVFPD Financing Corporation Authorizing Delivery and Sale of Certificates of Participation in the Maximum Principal Amount of \$45,000,000 to Finance Public Safety Project, Training Center Facility and Station 34 Renovation Improvements, and Approving Related Documents and Actions.
5. **ADJOURNMENT TO A REGULAR BOARD MEETING IMMEDIATELY FOLLOWING THIS MEETING.**

Prepared by:

DocuSigned by:

*Stephanie E. Sakai*

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Stephanie E. Sakai, District Clerk

Agenda posted on August 20, 2020 at the District's Administration Building, Fire Stations 30, 31, 32, 33, 34, 35, 36, 38, 39 and the San Ramon Valley Fire Protection Districts website at [www.firedepartment.org](http://www.firedepartment.org).

The San Ramon Valley Fire Protection District ("District"), in complying with the Americans with Disabilities Act ("ADA"), requests individuals who require special accommodations to access, attend and/or participate in District board meetings due to a disability, including but not limited to American Sign Language interpreters, assistive listening devices, transportation to and from the meeting site or other accommodations, may be requested by calling (925) 838-6661 no later than 72 hours in advance of the scheduled meeting time. In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of a meeting, may be viewed at 1500 Bollinger Canyon Road, San Ramon, California or at the scheduled meeting. In addition, if you would like a copy of any record related to an item on the Agenda, please contact the District Clerk at (925) 838-6661.



# San Ramon Valley Fire Protection District

1500 Bollinger Canyon Road, San Ramon, CA 94583

Phone (925) 838-6600 | Fax (925) 838-6629

www.firedepartment.org | info@firedepartment.org

Date: August 26, 2020

To: Board of Directors

From: Kenneth R. Campo, Interim CFO

Subject: **RESOLUTION OF THE BOARD OF DIRECTORS OF THE SRVFPD FINANCING CORPORATION AUTHORIZING DELIVERY AND SALE OF CERTIFICATES OF PARTICIPATION IN THE MAXIMUM PRINCIPAL AMOUNT OF \$45,000,000 TO FINANCE PUBLIC SAFETY PROJECT, TRAINING CENTER FACILITY AND STATION 34 RENOVATION IMPROVEMENTS, AND APPROVING RELATED DOCUMENTS AND ACTIONS**

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## **BACKGROUND**

The Board has authorized staff to initiate several large dollar capital projects and proceed with a debt financing to provide the necessary funding. Use of long-term debt to finance these projects is consistent with the debt issuance parameters established by the Board in the Debt Management Policy adopted in 2017; primarily, the useful life of the projects will equal or exceed the term of the financing and the District's long-range financial modeling indicates projected resources are sufficient to fund the debt service requirements over the term of the financing. Following is a brief description of the projects currently underway, along with the preliminary cost estimates.

The District is working with the City of San Ramon on renovating the City's existing Police and Building Services facility located at 2401 Crow Canyon Road into a joint public safety complex housing the Police Department, Fire Administration and newly constructed 911-Emergency Dispatch and Emergency Operations Center. The District is also considering the development of a new training facility at 1500 Bollinger Canyon Road when the current administration site is vacated after completion of the move to the joint public safety complex. Very preliminary cost estimates for the two projects are \$27 million for the renovation and new construction at 2401 Crow Canyon Road and \$13 million for the training facility at 1500 Bollinger Canyon Road.

The District is also currently in design on a major renovation of Fire Station 34 located at 12599 Alcosta Blvd. in San Ramon. This project involves expanding the apparatus bay to accommodate Truck 34, a major remodel of the living quarters and the addition of a much-needed concrete apron for parking apparatus. The preliminary cost estimate for this project is \$2.4 million.

## **FINANCING STRUCTURE**

Staff is proposing to use a COP (Certificates of Participation) bond financing like that used in the past for major apparatus purchases and station construction. The net interest cost is projected to be less than 3% for a 30-year term; which translates to annual debt service of \$2 million at \$40 million of net proceeds or \$2.1 million at \$42.5 million of net proceeds. The recently adopted budget and financial forecast included annual debt service of \$2.2 million for the 2020 COP issue.

Due to the overall financial health of the District, on prior bond issues Moody's gave the District an investment grade bond rating of Aa2, we expect the same rating on this issuance which will make the District's bonds highly desirable to investors in the current economic environment. With this excellent rating and current market conditions, the District will not have to provide a cash reserve fund or bond surety equal to maximum annual debt service requirement as with past financings. This translates to a lower borrowing and much more efficient financing transaction.

Staff will continue to review different scenarios in order to strike a balance between the overall size and term of the financing issue and the annual debt service commitment in order to achieve maximum efficiency. This could involve funding more of the project costs from the funds accumulated in the CIP (Capital Improvement Fund).

(Note the resolution would authorize a COP amount not to exceed \$45 million. This is to allow for flexibility in the final sizing of the COP issue, which may be in the \$42-\$42.5 range if the Station 34 project is included.)

Similar to past debt financings, the financing team consists of Brandis Tallman, LLC serving as underwriters of the COP issue, Jones Hall, A Professional Law Corporation, to act as bond counsel and disclosure counsel and US Bank as Trustee.

## **RECOMMENDATION**

The Board of Directors of the San Ramon Valley Fire Protection District is requested to adopt the attached resolution authorizing delivery and sale of certificates of participation in the maximum principal amount of \$45,000,000 to finance the public safety complex, training facility and Station 34 renovation, and approving related documents and actions.

## **NEXT STEPS**

If the Resolutions are adopted by the District and the Financing Corporation, the financing plan and related documents will be finalized. The transaction will be scheduled to close in October 2020.

Preliminary Official Statement (attached with staff report).

On file with the District Clerk:

- Site Lease
- Lease Agreement
- Trust Agreement
- Certificate Purchase Agreement
- Assignment Agreement

**RESOLUTION NO. 2020-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SRVFPD FINANCING CORPORATION AUTHORIZING  
DELIVERY AND SALE OF CERTIFICATES OF PARTICIPATION  
IN THE MAXIMUM PRINCIPAL AMOUNT OF \$45,000,000 TO  
FINANCE PUBLIC SAFETY PROJECT, TRAINING CENTER  
FACILITY AND STATION 34 RENOVATION IMPROVEMENTS,  
AND APPROVING RELATED DOCUMENTS AND ACTIONS**

**WHEREAS**, the SRVFPD Financing Corporation (the “Financing Corporation”) has been organized for the purpose of providing assistance to the San Ramon Valley Fire Protection District (the “District”) in the financing of its projects; and

**WHEREAS**, the District is undertaking various improvements to the fire protection facilities of the District, including the Public Safety Project, the Training Center Facility and improvements to Station 34 (the “Projects”); and

**WHEREAS**, In order to provide funds to pay the costs of the Projects, the District has proposed to lease certain land and improvements (the “Leased Property”) to the Financing Corporation, and the Financing Corporation has proposed to lease the Leased Property back to the District in consideration of the agreement by the District to pay semiannual lease payments (the “Lease Payments”); and

**WHEREAS**, the Financing Corporation will assign its right to receive the Lease Payments to U.S. Bank National Association, as trustee (the “Trustee”), and in consideration of such assignment the Trustee will execute and deliver certificates of participation in the aggregate principal amount of not to exceed \$45,000,000, each evidencing a direct, undivided fractional interest in the Lease Payments (the “Certificates of Participation”), the proceeds of which will be applied to finance the Projects as provided in a Trust Agreement among the Financing Corporation, the District and the Trustee; and

**WHEREAS**, the Board of Directors of the Financing Corporation wishes at this time to authorize the execution, delivery and sale of the Certificates of Participation and approve all related documents and actions, in furtherance of the purposes for which the Financing Corporation has been established;

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Board of Directors of the SRVFPD Financing Corporation as follows:

**Section 1. Approval of Financing Documents.** The Board of Directors (the “Board”) hereby approves the financing plan for the Projects which is outlined above. To that end, the Board hereby approves each of the following financing documents in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto approved by the Executive Director, whose execution thereof shall be conclusive evidence of such approval:

- (a) Site Lease between the District as lessor and the Financing Corporation as lessee, whereby the District leases the land and improvements constituting such properties of the District as are

designated by the Executive Director under Section 2 (the “Leased Property”) to the Financing Corporation in consideration of the payment by the Financing Corporation to the District of an upfront rental payment which is sufficient to enable the District to finance the Projects.

- (b) Lease Agreement between the Financing Corporation as lessor and the District as lessee, whereby the Financing Corporation leases the Leased Property back to the District in consideration of the payment by the District of semiannual lease payments.
- (c) Trust Agreement among the District, the Financing Corporation and the Trustee, whereby the Trustee agrees to execute and deliver the Certificates.
- (d) Assignment Agreement between the Financing Corporation and the Trustee, under which the Financing Corporation assigns to the Trustee substantially all of its rights under the Lease Agreement, including its right to receive semiannual lease payments which are payable thereunder by the District.
- (e) Certificate Purchase Agreement among the District, the Financing Corporation and Brandis Tallman LLC, a division of Oppenheimer & Co. Inc., as underwriter of the Certificates of Participation (the “Underwriter”), specifying the terms and conditions upon which the Certificates of Participation are to be sold to the Underwriter.

The Executive Director is authorized and directed for and in the name and on behalf of the Corporation to execute, and the Secretary is hereby authorized and directed to attest the final form of each of the foregoing documents. The schedule of lease payments attached to the Lease Agreement shall correspond to the payments of principal and interest represented by the Certificates of Participation, to be determined upon the sale thereof as set forth in Section 3.

**Section 2. Identification of Leased Property.** The Board hereby approves the lease of certain property which is owned by the District pursuant to the Site Lease and the Lease Agreement which are approved under Section 1. Such property may include any fire station or other real property which is owned by the District and not encumbered by prior lease financings, and which has an estimated value which is at least equal to the par amount of the Certificates of Participation. The Executive Director is hereby delegated the authority to identify the property to be leased pursuant to the Site Lease and the Lease Agreement.

**Section 3. Sale of Certificates of Participation.** The Board hereby approves the sale of the Certificates of Participation by negotiation with the Underwriter. The Certificates of Participation shall be sold to the Underwriter under, and upon the terms and provisions set forth in, the Certificate Purchase Agreement in the form approved under Section 1. The Board hereby delegates to the Executive Director the authority to accept an offer from the Underwriter to purchase the Certificates of Participation, provided that the true interest rate represented by all of the Certificates of Participation (taking into account any original issue discount or original issue premium on the sale of the Certificates

of Participation) shall not exceed 3.75% and the maximum amount of Underwriter's discount on the sale of the Certificates of Participation shall not exceed 0.65% of the par amount of the Certificates of Participation.

**Section 4. Official Actions.** The President, the Executive Director, the Secretary and all other officers of the Financing Corporation are each authorized and directed in the name and on behalf of the Financing Corporation to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved pursuant to this Resolution. Whenever in this resolution any officer of the Financing Corporation is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 5. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

I hereby certify that the foregoing Resolution was passed and adopted by the Board of Directors of the SRVFPD Financing Corporation, at a special meeting thereof duly held on the 26th day of August, 2020, by a majority vote of all of its members.

**SRVFPD FINANCING CORPORATION**

By \_\_\_\_\_  
President

ADOPTED by the following votes:

AYES:

NOES:

ABSENT:

**ATTEST:**

\_\_\_\_\_  
Stephanie E. Sakai, District Clerk

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to certain qualifications described herein, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Special Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$ \_\_\_\_\_\*

**2020 Certificates of Participation  
(Fire Protection Facilities Projects)  
Evidencing Direct, Undivided Fractional Interests of the  
Owners Thereof in Lease Payments to be Made by the  
SAN RAMON VALLEY FIRE PROTECTION DISTRICT  
As the Rental for Certain Property Pursuant to a Lease  
Agreement with the SRVFPD Financing Corporation**

**Dated: Date of Delivery**

**Due: August 1, as shown on inside cover**

**Purposes.** The captioned certificates of participation (the "Certificates") are being executed and delivered to (a) finance the design and construction of facilities and other improvements to be owned and operated by the San Ramon Valley Fire Protection District (the "District"), and (b) to pay costs of the execution and delivery of the Certificates. See "FINANCING PLAN," "THE 2020 PROJECT" and "SOURCES AND USES OF FUNDS."

**Security.** The Certificates evidence direct, undivided fractional interests of the owners thereof in Lease Payments to be made by the District for the use and occupancy of certain real property and improvements under a Lease Agreement, dated as of October 1, 2020 (the "Lease Agreement"), between the District and the SRVFPD Financing Corporation, a California nonprofit public benefit corporation (the "Corporation"). The Lease Payments will be payable from any source of available funds of the District, subject to the provisions of the Lease Agreement. The District is required under the Lease Agreement to take such action as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under the Lease Agreement will comprise the interest and principal represented by the Certificates. The Certificates will be secured under a Trust Agreement dated as of October 1, 2020, among the District, the Corporation and U.S. Bank National Association, San Francisco, California, as trustee, (the "Trustee"). Under an Assignment Agreement dated as of October 1, 2020, between the Corporation and the Trustee, the Lease Payments will be irrevocably assigned to the Trustee for the benefit of the Owners of the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

**Interest.** Interest represented by the Certificates will be payable on February 1 and August 1 of each year, commencing February 1, 2021. See "THE CERTIFICATES."

**Book-Entry Only.** When executed and delivered, the Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Certificates. Ownership interests in the Certificates may be purchased in book-entry form only. Beneficial owners of Certificates will not receive physical certificates representing the Certificates purchased, but will receive a credit balance on the books of the nominees of such purchasers who are participants of DTC. The Certificates will not be transferable or exchangeable, except for transfer to another nominee of DTC as described in this Official Statement. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

**Payments.** Principal, premium, if any, and interest due with respect to the Certificates will be paid by the Trustee to DTC, which will in turn remit those payments to its participants for subsequent disbursement to the beneficial owners of the Certificates as described in this Official Statement. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

**Prepayment. The Certificates are subject to optional prepayment and mandatory sinking fund prepayment prior to their maturity. See "THE CERTIFICATES – Prepayment."**

**Limited Obligation.** NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE DIRECTORS OR OFFICERS OF THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE, OR AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES." See "RISK FACTORS" for a discussion of factors that should be considered, in addition to the other matters set forth in this Official Statement, in evaluating the investment quality of the Certificates.

**MATURITY SCHEDULE  
(See inside cover)**

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Certificates are offered when, as and if executed and delivered, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel. Certain legal matters will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel to the District, and by Herum Crabtree Suntag, Stockton, California, as the District's general counsel. Kutak Rock LLP, Irvine, California, is serving as counsel to the Underwriter. It is anticipated that the Certificates in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about October \_\_, 2020.

**[Brandis Tallman, a Division of Oppenheimer & Co. Inc. logo]**

The date of this Official Statement is: \_\_\_\_\_, 2020.

\* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy 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 a 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 prior to registration or qualification under the securities laws of such jurisdiction.



## MATURITY SCHEDULE

Base CUSIP†: \_\_\_\_\_

\$\_\_\_\_\_ Serial Certificates

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
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\$\_\_\_\_\_ % Term Certificate due August 1, 20\_\_; Yield \_\_\_\_\_%; Price \_\_\_\_\_; CUSIP†: \_\_\_\_\_

† Copyright 2020, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

**SAN RAMON VALLEY FIRE PROTECTION DISTRICT**

www.firedepartment.org

**DISTRICT BOARD OF DIRECTORS**

Donald R. Parker, *President*  
Matthew J. Stamey, *Vice President*  
Ryan Crean, *Director*  
H. Jay Kerr, *Director*  
Dominique Yancey, *Director*

**DISTRICT STAFF**

Paige Meyer, *Fire Chief/District Treasurer*  
Kenneth R. Campo, *Interim Chief Financial Officer*  
Frank Drayton, *Deputy Chief—Operations/Fire Marshal*  
Denise Pangelinan, *Director of Emergency Communications*  
Natalie Korthamar Wong, *Director of Human Resources*  
Stephanie Sakai, Esq., *Counsel to the District/District Clerk*  
Davina Hatfield, *Controller*

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**SPECIAL COUNSEL and DISCLOSURE COUNSEL**

Jones Hall, A Professional Law Corporation  
San Francisco, California

**UNDERWRITER**

Oppenheimer & Co. Inc.  
San Francisco, California

**UNDERWRITER'S COUNSEL**

Kutak Rock LLP  
Irvine, California

**TRUSTEE**

U.S. Bank National Association  
San Francisco, California

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

**No Offering May Be Made Except by this Official Statement.** No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Certificates other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

**No Unlawful Offers or Solicitations.** This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

**Effective Date.** This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Certificates will, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described in this Official Statement, or in the condition of the security for the Certificates since the date of this Official Statement.

**Use of this Official Statement.** This Official Statement is submitted in connection with the sale of the Certificates referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Certificates.

**Preparation of this Official Statement.** The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

**Involvement of Underwriter.** The Underwriter has submitted the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

**Document References and Summaries.** All references to and summaries of the Lease Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

**Certificates are Exempt from Securities Laws Registration.** The issuance and sale of the Certificates have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

**Estimates and Projections.** Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

**Website.** The District maintains a website and social media accounts. However, the information presented on the District website or any social media account maintained by the District is not a part of this Official Statement, is not incorporated herein by reference, and should not be relied upon in making an investment decision with respect to the Certificates.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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**2020 Certificates of Participation  
(Fire Protection Facilities Projects)  
Evidencing Direct, Undivided Fractional Interests of the  
Owners Thereof in Lease Payments to be Made by the  
SAN RAMON VALLEY FIRE PROTECTION DISTRICT  
As the Rental for Certain Property Pursuant to a Lease  
Agreement with the SRVFPD Financing Corporation**

## INTRODUCTION

This Official Statement (which includes the cover page and Appendices hereto) (the “**Official Statement**”), provides certain information concerning the sale and delivery of the certificates of participation captioned above (the “**Certificates**”).

All capitalized terms used in this Official Statement (unless otherwise defined in this Official Statement) which are defined in the Trust Agreement have the meanings set forth therein, some of which are summarized in APPENDIX C—“SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

**COVID-19 Statement.** The COVID-19 (as defined herein) pandemic has resulted in a public health crisis that is fluid and unpredictable. While the pandemic has already had severe and detrimental effects on federal, state and local economies, the full with financial and economic impact of the pandemic cannot be predicted. As such, investors are cautioned that the San Ramon Valley Fire Protection District (the “**District**”) cannot at this time predict the full impact that the COVID-19 pandemic may have on its operations and finances, property values in the District, and economic activity in the District, the State and the nation, among others. The District provides essential services to the community and is currently fully operational. See “DISCLOSURE REGARDING COVID-19” and “RISK FACTORS – COVID-19” herein.

**Certificate Terms.** The Certificates are being executed and delivered in denominations of \$5,000 or any integral multiple thereof. Interest will accrue on the principal components of each Certificate at the applicable interest rate (as set forth on the cover hereof) from the date of original delivery of the Certificates until its date of maturity or prior prepayment, with interest becoming payable on each February 1 and August 1, commencing February 1, 2021. The Certificates are subject to prepayment as described in this Official Statement. See “THE CERTIFICATES.”

**Use of Proceeds.** The net proceeds of the sale of the Certificates will be used to (a) finance the design and construction of facilities and other improvements to the District (the “**2020 Project**”), and (B) pay certain costs incurred in connection with the execution and delivery of the Certificates. See “THE 2020 PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

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\* Preliminary; subject to change.

**Security and Sources of Payment.** The Certificates evidence and represent the direct, undivided fractional interests of the registered owners (the “**Owners**”) thereof in lease payments (the “**Lease Payments**”) to be made by the District for the right to the use of the real property which is leased by the District from the SRVFPD Financing Corporation (the “**Corporation**”), under and pursuant to a Lease Agreement, dated as of October 1, 2020 (the “**Lease Agreement**”), by and between the Corporation and the District (the “Lease Agreement”), consisting of existing fire stations, together with the land on which such facilities are situated (the “**Leased Property**”). See “THE LEASED PROPERTY” herein. The District and the Corporation will enter into a Site Lease, dated as of October 1, 2020 (the “**Site Lease**”), whereby the District (as owner of the Leased Property) will lease the Leased Property to the Corporation for the purpose of enabling the Corporation to lease the Leased Property back to the District under the Lease Agreement.

The Certificates will be executed and delivered under a Trust Agreement dated as of October 1, 2020 (the “**Trust Agreement**”), among the District, the Corporation and U.S. Bank National Association, San Francisco, California, as trustee (the “**Trustee**”). The Trustee and the Corporation will enter into an Assignment Agreement, dated as of October 1, 2020 (the “**Assignment Agreement**”), under which the Corporation will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation’s right, title and interest in and to the Lease Agreement, including its right to receive the Lease Payments due under the Lease Agreement, provided that the Corporation will retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement.

THE OBLIGATION OF THE DISTRICT TO PAY THE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR THE STATE OF CALIFORNIA (THE “**STATE**”) OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES.”

**Lease Payments.** The District covenants under the Lease Agreement to take such action as may be necessary to include all Lease Payments due under the Lease Agreement in its annual budgets and to make the necessary annual appropriations therefor. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Covenant to Appropriate Funds for Lease Payments.”

**Summaries of Documents.** The summaries or references to the Site Lease, the Trust Agreement, the Lease Agreement, the Assignment Agreement and other documents, agreements and statutes referred to in this Official Statement, and the description of the Certificates included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to each such document or statute.

## THE 2020 PROJECT

The Certificates are being executed and delivered to (a) finance the 2020 Project, and (b) pay financing costs of the transaction. The components of the 2020 Project and their estimated costs are as follows:

**Public Safety Project.** The Public Safety Project is to be located in the City of San Ramon. The District is working jointly with the City of San Ramon on renovating the City’s existing Police and Building Services facility located at 2401 Crow Canyon Road into a joint public safety complex housing the Police Department, Fire District Administration and newly constructed 911-Emergency Dispatch and Emergency Operations Center. It will consist of a \_\_\_\_ square foot emergency operations center to be jointly owned by the District and the City of San Ramon.

**Training Center Facility.** The Training Center project is to provide a location where fire and police personnel can practice and train in a realistic replication of events that are encountered every day in the field. The props and buildings included in the project allow for real life training and practice for a variety of situation. The specific elements proposed for the project include: a classroom building; training tower; roof prop; pump house; confined spaces training; trench training; vehicle extraction prop; hazmat prop; heavy objects prop; splash wall; reserve apparatus bay; and parking.

**Improvements to Station 34.** Station 34 is located at 12599 Alcosta Boulevard in San Ramon. Improvements will include the following: expanding the apparatus bay to accommodate Truck 34; a major remodel of the living quarters; and the addition of a concrete apron for parking apparatus.

To the extent that proceeds of the Certificates exceed the amount required to finance the 2020 Project, the District will apply such excess to finance other capital improvements throughout the geographic boundaries of the District.

## THE LEASED PROPERTY

The Leased Property consists of the following facilities with their estimated values, based on insurance replacement costs of each facility, together with the estimated value of land for such facilities.

<u>Facility</u>	<u>Address</u>	<u>Insured Value of Improvements</u>	<u>Land Value<sup>(1)</sup></u>	<u>Total</u>
Station 31	800 San Ramon Valley Road, Danville	\$6,119,461	\$3,161,996	\$9,281,457
Station 32	2100 Stone Valley Road, Alamo	2,396,793	3,294,854	5,691,647
Station 33	1051 Diablo Road, Danville	5,509,217	1,549,095	7,058,312
Station 36	2001 Lusitano Street, Danville	8,367,856	3,510,123	11,877,979
Old Station 32	1101 Stone Valley Road, Alamo	6,199,712	1,753,750	7,953,462
Training Site	6100 Camino Tassajara, San Ramon	<u>564,091</u>	<u>2,896,280</u>	<u>3,460,371</u>
		<u>\$29,157,130</u>	<u>\$16,166,098</u>	<u>\$45,323,228</u>

<sup>(1)</sup> Represents \$61.00 per square foot.

Station 31 is situated on an approximately 1.2 acre site and consists of a 13,933 square foot building of which \_\_\_\_ square feet is a fire station, \_\_\_\_ is an apparatus storage building and

\_\_\_\_ square feet is the District's communications annex building. Station 31 was constructed in 1989 and 2008.

Station 32 is situated on an approximately 1.25 acre site and consists of a 7,967 square foot building of which \_\_\_\_\_ square feet is a fire station and \_\_\_\_\_ square feet is a garage. Station 32 was constructed in 2017.

Station 33 is situated on an approximately 0.6 acre site and consists of a 7,084 square foot building of which \_\_\_\_\_ square feet is living area and \_\_\_\_\_ square feet is \_\_\_\_\_. Station 33 was constructed in 1989.

Station 36 is situated on an approximately 1.3 acre site and consists of a 17,544 square foot building of which \_\_\_\_\_ square feet is a fire station and \_\_\_\_\_ square feet is the essential services warehouse. Station 36 was constructed in 2008 and 2009.

Old Station 32 is situated on an approximately 0.7 acre site and consists of a \_\_\_\_\_ square foot building of which 3,622 square feet is a fire station and \_\_\_\_\_ square feet is a garage. Old Station 32 was constructed in 2006.

The Training Site is situated on an approximately 1.1 acre site and consists of a 2,400 square foot building, a burn building and a burn house. The Training Site was constructed in \_\_\_\_\_.

The District has the right to substitute other property for the Leased Property, or to release portions of the Leased Property from the Site Lease and the Lease Agreement, under certain circumstances and subject to certain conditions set forth in the Lease Agreement. See APPENDIX C—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—Lease Agreement.

## **ESTIMATED SOURCES AND USES OF FUNDS**

The estimated sources and uses of funds with respect to the Certificates are shown below.

### SOURCES

Principal Amount of Certificates  
Plus: Net Original Issue Premium  
Total Sources:

### USES

Deposit to Project Fund (1)  
Deposit to Costs of Issuance Fund (2)  
Total Uses:

- 
- (1) Amount deposited in the Project Fund will be used to finance the 2020 Project. See "THE 2020 PROJECT" above.  
(2) Includes filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, Underwriter's discount, legal fees and charges, title insurance fees and charges, and costs of rating agency for credit rating.



## THE CERTIFICATES

### General

The Certificates evidence and represent direct, undivided fractional interests of the Owners thereof in the principal and interest components of Lease Payments to be made by the District under the Lease Agreement.

The Certificates will be executed and delivered in principal amounts of \$5,000 or integral multiples thereof. Interest represented by each Certificate will accrue on the principal components represented by such Certificate at the applicable interest rate from the date of original delivery of the Certificates until its date of maturity or prior prepayment, with interest becoming payable on each February 1 and August 1 (each, an "**Interest Payment Date**"), commencing February 1, 2021. Interest represented by each Certificate will be computed on the basis of a 360-day year consisting of twelve 30-day months.

### Prepayment

**Optional Prepayment.** The Certificates maturing on or before August 1, 20\_\_, are not subject to optional prepayment before their respective stated maturities. The Certificates maturing on or after August 1, 20\_\_, are subject to call for prepayment prior to their respective stated maturities, at the option of the District, in whole, or in part among maturities on such basis as be designated by the District and by lot within any one maturity, on August 1, 20\_\_, or on any Interest Payment Date thereafter, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

**Mandatory Sinking Fund Prepayments.** The Certificates maturing on August 1, 20\_\_ (the "**Term Certificates**") are subject to mandatory prepayment in part by lot, at a prepayment price equal to 100% of the principal amount thereof to be prepaid, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following tables; *provided, however*, that if some but not all of the Term Certificates have been prepaid under the optional prepayment provisions, above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Term Certificates so prepaid, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the District to the Trustee).

#### Term Certificate Maturing August 1, 20\_\_

Sinking Fund  
Prepayment Date  
(August 1)

Principal Amount  
To Be Prepayment

(Maturity)

**Selection of Certificates for Prepayment.** Whenever less than all of the outstanding Certificates are to be prepaid on any one date, the Trustee shall select Certificates of such maturity for prepayment by lot. For the purposes of such selection, Certificates will be deemed to be composed of \$5,000 portions, and any such portion may be separately prepaid. The Trustee

will promptly notify the District and the Corporation in writing of the Certificates or portions thereof so selected for prepayment.

**Notice of Prepayment.** While the Certificates are subject to DTC's book-entry system, the Trustee will be required to give notice of prepayment only to DTC as provided in the letter of representations executed by the District and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of prepayment to the beneficial owners of the Certificates to be prepaid. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any Certificates to be prepaid, of a notice of prepayment or its content or effect will not affect the validity of the notice of prepayment, or alter the effect of prepayment described below under "—Effect of Prepayment."

During any period in which the Certificates are not subject to the book-entry system, notice of prepayment of any Certificates to be prepaid will be given to the respective Owners of Certificates designated for prepayment by first-class mail, postage prepaid, at their addresses appearing on the registration books of the Trustee as of the close of business on the day before such notice of prepayment is given, at least 30 but not more than 60 days prior to the prepayment date.

**Effect of Prepayment.** If notice of prepayment has been duly given as aforesaid and the deposit of the prepayment price has been made by the District, the Certificates or portions of Certificates so to be prepaid will, on the prepayment date, become due and payable at the prepayment price therein specified, and from and after such date interest with respect to such Certificates or portions of Certificates will cease to accrue and be payable. Upon surrender of such Certificates for prepayment in accordance with said notice, such Certificates will be paid by the Trustee at the prepayment price.

All prepaid Certificates will be canceled by the Trustee and will not be redelivered.

### **Book-Entry Only System**

The Certificates will be executed and delivered as fully registered certificates, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Certificates (the "Beneficial Owners") in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC's participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Certificates. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM." If the book-entry-only system is no longer used with respect to the Certificates, the Certificates will be registered and transferred in accordance with the Trust Agreement, as described below.

### **Transfer and Exchange of Certificates**

*The following provisions regarding the exchange and transfer of the Certificates apply only during any period in which the Certificates are not subject to DTC's book-entry system. While the Certificates are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and DTC's participants and will be subject to the procedures, rules and requirements established by DTC. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM."*

All Certificates are transferable by the Owner thereof, in person or by his or her attorney duly authorized in writing, at the principal corporate trust office of the Trustee on the books

required to be kept by the Trustee under the provisions of the Trust Agreement, upon surrender of such Certificates for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee, manually executed.

Whenever any Certificate or Certificates are surrendered for transfer, the Trustee will execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The Trustee will require the payment by any Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Certificates may be exchanged, upon surrender thereof, at the principal corporate trust office of the Trustee for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. Whenever any Certificate or Certificates are surrendered for exchange, the Trustee shall execute and deliver a new Certificate or Certificates for like principal amount in authorized denominations. The District will pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee may refuse to transfer or exchange either (i) any Certificate during the period established by the Trustee for the selection of Certificates for prepayment, or (ii) any Certificate selected for prepayment.

## DISCLOSURE RELATING TO COVID-19

**Background.** The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (“**COVID-19**” or “**Coronavirus**”), which was first detected in China and has spread throughout the world, including to the United States, has been declared a Pandemic by the World Health Organization, a National Emergency by President Trump (the “**President**”) and a State of Emergency by California Governor Newsom (the “**Governor**”). The emergency has resulted in tremendous volatility in the financial markets in the United States and globally, and the likely onset of a U.S. and global recession.

The President’s declaration of a National Emergency on March 13, 2020 made available more than \$50 billion in federal resources to combat the spread of the virus. A multibillion-dollar Coronavirus relief package was signed into law by the President on March 18, 2020 providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In an effort to calm the financial markets, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds. Further, on March 27, 2020, the United State Congress passed a \$2 trillion relief package responding to the Coronavirus emergency, which has been signed by the President, referred to as the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”). The package includes direct payments to taxpayers, jobless benefits, assistance to hospitals and healthcare systems, \$367 billion for loans to small businesses, a \$500 billion fund to assist distressed large businesses, including approximately \$30 billion to The Education Stabilization Fund to provide Emergency Relief Grants to educational institutions and local educational agencies in their respective responses to COVID-19. This funding allocation includes approximately \$13.5 billion in formula funding to the Elementary and Secondary School Emergency Fund to make grants available to each state educational agency to facilitate K-12 schools’ responses to COVID-19.

On April 9, 2020, the Federal Reserve took additional actions to provide up to \$2.3 trillion in loans to support the economy, including supplying liquidity to participating financial institutions in the SBA's Paycheck Protection Program, purchasing up to \$600 billion in loans through the Main Street Lending Program and offering up to \$500 billion in lending to states and municipalities.

On April 24, 2020, an additional \$484 billion federal aid package was signed, to provide additional funding for the local program for distressed small businesses and to provide funds for hospitals and COVID-19 testing. The legislation adds \$310 billion to the Paycheck Protection Program, increases the small business emergency grant and loan program by \$60 billion, and directs \$75 billion to hospitals and \$25 billion to a new COVID-19 testing program.

At the State level, on March 15, 2020, the Governor ordered the closing of California bars and nightclubs, the cancellation of gatherings of more than 250 and confirmed continued funding for school districts that close under certain conditions. On March 16, 2020, the State legislature passed \$1.1 billion in general purpose spending authority for emergency funds to respond to the Coronavirus crisis. On March 19, 2020, Governor Newsom issued Executive Order N-33-20, a blanket shelter-in-place order, ordering all California residents to stay home except for certain necessities and other essential purposes, which is in effect until further notice. On May 8, 2020, the State moved into "Stage 2" of the State's reopening plan, which allows for the return of certain kinds of retail, manufacturing and other "low risk" businesses if physical distancing measures are implemented. In order for counties to move further into the second phase of reopening, they will need to attest that they meet certain State public health criteria, including demonstrating epidemiologic stability, protection of essential employees and testing capacity. On June 12, 2020, the State moved to "Stage 3" of the State's reopening plan, which allows for higher-risk businesses and venues, such as movie theaters and gyms, to reopen with social distancing guidelines.

In response to the COVID-19 crisis, on March 16, 2020, the County, along with six other Bay Area Counties, ordered residents to shelter in place. The State-wide shelter in place was not ordered until March 20, 2020. On May 29, 2020 the County ordered the testing of all residents and personnel at residential healthcare facilities, residential care facilities, drug treatment centers and group homes. On June 9, 2020, the County announced a modified shelter-in-place order to align with the State's four-stage framework for reopening and entered into Stage 2, allowing retail related logistics and manufacturing, office workplaces, all retail, personal services, outdoor museums, places of worship and child care to open with modifications. On June 16, 2020, the County eased certain restrictions, allowing outdoor recreation facilities, hair salons and barbershops to operate. On June 26, 2020, the County amended requirements regarding masking, communal dining and group activities at residential health care facilities, residential care facilities and group homes. On July 5, 2020, the County ordered that face coverings are required to be worn inside any business or while waiting in line at any business.

See "DISTRICT FINANCES – Impact of COVID-19 Crisis on District's General Fund," "– Property Taxes – Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes," "– Disclaimer Regarding Property Tax Collection Procedures" and "RISK FACTORS – COVID-19."

## LEASE PAYMENT SCHEDULE

Following is the semi-annual schedule of Lease Payments due with respect to the Certificates.

Period Ending	Principal Component	Interest Component	Total Payments
2/1/21			
8/1/21			
2/1/22			
8/1/22			
2/1/23			
8/1/23			
2/1/24			
8/1/24			
2/1/25			
8/1/25			
2/1/26			
8/1/26			
2/1/27			
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2/1/37			
8/1/37			
2/1/38			
8/1/38			
2/1/39			
8/1/39			
2/1/40			
8/1/40			
2/1/41			
8/1/41			
2/1/42			
8/1/42			
2/1/43			
8/1/43			

[table continues on following page]

<u>Period Ending</u>	<u>Principal Component</u>	<u>Interest Component</u>	<u>Total Payments</u>
2/1/44			
8/1/44			
2/1/45			
8/1/45			
2/1/46			
8/1/46			
2/1/47			
8/1/47			
2/1/48			
8/1/48			
2/1/49			
8/1/49			
2/1/50			
8/1/50			
<hr/>			
Total			

## **SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES**

Neither the Certificates nor the obligation of the District to make Lease Payments constitutes an obligation of the District for which the District is obligated to levy or pledge, or for which the District has levied or pledged, any form of taxation. Neither the Certificates nor the obligation of the District to make Lease Payments constitutes an indebtedness of the Corporation, the District, the State or any of its political subdivisions within the meaning of any constitutional limitation or violates any statutory debt limitation or restriction.

### **Nature of the Certificates**

Each Certificate evidences and represents a direct, undivided fractional interest in the principal component of the Lease Payments due under the Lease Agreement on the payment date or prepayment date of such Certificate, and the interest component of all Lease Payments (based on the stated interest rate with respect to such Certificate) to accrue from the date of original delivery of the Certificates to its payment date or prepayment date, as the case may be.

The Corporation, under the Assignment Agreement, will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation's right, title and interest in and to the Lease Agreement, including, without limitation, its right to receive Lease Payments to be paid by the District; except that the Corporation will retain the rights to indemnification and to payment of reimbursement of its reasonable costs and expenses under the Lease Agreement. The District will pay Lease Payments directly to the Trustee, as assignee of the Corporation. See "Lease Payments" below.

### **Lease Payments**

For the right to the use and occupancy of the Leased Property, the Lease Agreement requires the District to make Lease Payments. Lease Payments are due and payable in immediately available funds on the Interest Payment Dates immediately following each of the respective Lease Payment Dates specified in the Lease Agreement, and to be deposited by the City with the Trustee on each of the Lease Payment Dates during the term of the Lease Agreement. The Lease is subject to termination and the Lease Payments are subject to abatement in the event the Leased Property is taken by eminent domain, but not in the event of damage or destruction thereto. See "– Termination and Abatement," below.

Scheduled Lease Payments relating to the Certificates are set forth above under the heading "LEASE PAYMENT SCHEDULE."

THE OBLIGATION OF THE DISTRICT TO MAKE THE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

### **Additional Payments**

For the right to the use and occupancy of the Leased Property, the Lease Agreement requires the District to pay, in addition to the Lease Payments, all costs and expenses incurred

by the District and the Corporation to comply with the provisions of the Trust Agreement, or otherwise arising from the financing of the Leased Property.

### **Source of Payments**

As provided in the Lease Agreement, the Lease Payments and additional payments are payable from any source of available funds of the District, including amounts on deposit in the General Fund of the District. The primary source of revenues available to the District for payment of the Lease Payments consist of *ad valorem* property taxes received by the District (the “**Tax Revenues**”).

### **Covenant to Appropriate Funds for Lease Payments**

The District will covenant in the Lease Agreement to take such action as may be necessary to include all Lease Payments due under the Lease Agreement in its annual budgets and to make the necessary annual appropriations therefor.

### **Termination and Abatement**

***Termination or Abatement Due to Eminent Domain.*** If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease will cease with respect thereto as of the day possession is so taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) the Lease will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking and the parties have waived the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

***No Abatement of Lease Payments Due to Damage or Destruction.*** During the Term of the Lease the District will bear the risk of any damage to or destruction of the Leased Property and will be solely responsible to provide insurance against such damage or destruction, as provided in the Lease. In the event the Leased Property is damaged or destroyed, in whole or in part, there will be no abatement of Lease Payments. In the event of any such damage or destruction, the Lease Agreement will continue in full force and effect and the District waives any right to terminate the Lease Agreement by virtue of any such damage and destruction.

### **Action on Default**

If the District defaults under the Lease Agreement, the Trustee, as assignee of the Corporation’s rights under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the District, or may retain the Lease Agreement and hold the District liable for all Lease Payments thereunder on an annual basis. Lease Payments may not be accelerated upon a default under the Lease Agreement. See “RISK FACTORS.”

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Corporation) contained in the Lease Agreement and the Trust Agreement, see APPENDIX C—“SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—Lease Agreement” and “—Trust Agreement.”



## Insurance

**General Liability Insurance.** The Lease Agreement requires the District to maintain standard comprehensive general liability insurance in protection of the District and the Corporation, including their respective members, officers, agents and employees and assignees. This insurance coverage must 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 Leased Property.

This insurance must provide coverage in such liability limits and be subject to such deductibles as the District deems adequate and prudent. This insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of a program of self-insurance by the District (subject to the provisions of the Lease Agreement, which are described more fully in APPENDIX C—“SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—Lease Agreement,” or in the form of the participation by the District in a joint powers authority or other program providing pooled insurance.

**Casualty Insurance.** The Lease Agreement also requires the District to maintain throughout the term of the Lease Agreement, casualty insurance against loss or damage to all buildings, facilities and other improvements situated on the Leased Property, in an amount at least equal to the lesser of (a) 100% of the replacement value of the insured buildings, facilities and other improvements, or (b) 100% of the aggregate principal amount of the Outstanding Certificates.

This insurance must, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance.

The Lease Agreement also requires the District to maintain earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the reasonable opinion of the District.

Casualty insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. This insurance may not be maintained by the District in the form of self-insurance.

**Title Insurance.** The Lease Agreement also requires the District to deliver and maintain a CLTA title insurance policy insuring the District’s leasehold estate under the Lease Agreement and the District’s fee ownership interest in the Leased Property, subject only to Permitted Encumbrances (as set forth in the Trust Agreement), in an amount at least equal to the aggregate principal amount of the Certificates. All net proceeds received under the title insurance policy will be deposited with the Trustee in the Lease Payment Fund and credited toward prepayment of the Lease Payments.

## SAN RAMON VALLEY FIRE PROTECTION DISTRICT

**General.** The San Ramon Valley Fire Protection District is an autonomous independent special district organized and as defined under the Fire Protection District Law of 1987, California Health and Safety Code 13800 et seq. (the “**Act**”). The District is responsible for the protection of the lives and property of the residents of the San Ramon Valley located in the southwest portion of Contra Costa County, California. The District furnishes fire protection, rescue service and other emergency services to an area approximating 155 square miles, including the Town of Danville, the City of San Ramon, the unincorporated communities of Alamo, Blackhawk, Diablo and the southern boundary of the Morgan Territory and Tassajara Valley.

**Governance.** The District is governed by a Board of Directors (the “**Board**”) consisting of five members elected by the voters in its service area. The Board appoints a fire chief to oversee the day-to-day operations of the District. The District employs a full time staff of one fire chief, two division chiefs, five batallion chiefs, a director of emergency communications and 12 dispatchers, a director of human resources, an IT manager and GIS analyst, one interim chief financial officer, one controller, two accountants, one fleet mechanic and approximately 150 firefighter/paramedics and other emergency operations staff. The District employs a total of 178 personnel, in addition to approximately 63 volunteer chaplains, dispatchers and firefighters.

**District Facilities.** The District maintains nine career fire stations, one volunteer-staffed station, one administrative office building and other supporting facilities located throughout the jurisdiction. The District staffs two ladder truck companies and nine engine companies, including structure and wildland engines, water tenders, Advanced Life Support (ALS) ambulances and specialized Hazardous Materials, Rescue, Communications and other support units. The District operates its own nationally accredited 911 communications center that is considered a primary public safety answering point (“**PSAP**”) as it dispatches both for the District and the City of San Ramon Police Department. The District’s Fire and Life Safety Division manages several significant community risk reduction initiatives including notable vegetation and hazard abatement programs, plan review and engineering services, and comprehensive code enforcement and fire investigation activities. The Division also produces numerous programs to teach fire safety, CPR/AED skills and emergency preparedness.

**Description of District Service Area.** Within the boundaries of the District are wildland areas, single and multi-family residential complexes, hotels, a regional hospital, numerous convalescent/assisted living facilities, equestrian areas, hiking trails, rock climbing areas and a facility housing a low-level nuclear reactor. The total population serviced by the District exceeds 195,408. On business days, the figure grows by another 30,000 to include the personnel employed in the Bishop Ranch Business Park, a 585-acre development with nine million square feet of office space located in San Ramon. Bishop Ranch Business Park includes over 300 diverse companies, including Chevron and AT&T.

For general demographic information about the County, the City of San Ramon and the Town of Danville, see APPENDIX A—“ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT CONTRA COSTA COUNTY, THE CITY OF SAN RAMON AND THE TOWN OF DANVILLE” attached hereto.

## DISTRICT FINANCES

The District has elected to perform its own financial, accounting and administrative functions, as authorized by the Act. The following selected financial information provides a brief overview of the District's finances. This financial information has been extracted from the District's audited financial statements and, in some cases, from unaudited information provided by the District's Department of Finance. The most recent audited financial reports of the District with an unqualified auditor's opinion is included as APPENDIX B—"AUDITED FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019."

### Accounting Policies and Financial Reporting

The accounts of the District are organized on the basis of individual funds and account groups. The District's accounting records for the governmental fund types (General, Capital Projects and Special Revenue/Equipment Replacement) are accounted for at the fund level using the modified accrual accounting basis, and prepares entity-wide statements using the full accrual basis of accounting in accordance with GASB 34. Revenues are recognized when they become measurable and available, and expenditures are recorded when the services or goods are received and the related fund liabilities are incurred. The District's audited financial statements have been prepared in compliance with GASB 34 beginning with fiscal year 2003-04.

The District has received the Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial reports continuously from Fiscal Year 1999-00 through Fiscal Year 2018-19.

### Budgetary Process

**General.** The Board of Directors adopts a final budget prior to July 1. The budget includes appropriations (budgeted expenditures) on a line-item basis and the means of financing them (budgeted revenues). Budgets are adopted on a basis consistent with generally accepted accounting principles. The Board has unlimited authority approving or amending the adopted budget. The budget is based on the goals and objectives of the District. Formal budgetary integration is employed as a management control device during the year for all funds. Budgeted and actual revenues and expenditures are reviewed monthly by the Board, and budget amendments and transfers are made as needed.

The Controller monitors appropriations on a Department/Division basis and conveys this information to the Fire Chief/Treasurer who can approve appropriation transfers so long as appropriations in total by fund do not change. This approach allows the Fire Chief to hold Department/Division heads accountable. The District reports expenditures and appropriations on a line-item basis to its Board. Only a majority of Board members may approve amendments to appropriations in total by fund. This approach allows the Board to hold the Fire Chief accountable for the overall District operations.

The budget provides for adequate reserves to cover excess expenditures over revenues. This occurs annually during the "dry-spell" period prior to the receipt of the first settlement of property tax allocation in December. In addition, the budget provides for a "rainy day" contingency reserve and reserve for open workers' compensation claims.

**General Fund Budgets.** The table below sets forth a comparison of the adopted General Fund budget for Fiscal Year 2019-20 with actual results for Fiscal Year 2019-20, as well as the adopted General Fund budget for Fiscal Year 2020-21.

**Table 1  
SAN RAMON VALLEY FIRE PROTECTION DISTRICT  
General Fund Budgets  
For Fiscal Years 2019-20 and 2020-21**

	<u>Adopted Budget 2019-20</u>	<u>Estimated Actuals 2019-20</u>	<u>Adopted Budget 2020-21</u>
Revenues:			
Property taxes		\$75,880,998	\$78,446,115
Intergovernmental revenues		2,582,925	3,311,693
Charges for services		5,630,959	5,645,775
Use of money and property		1,100,000	1,116,500
Rents, royalties, and commissions		66,461	67,459
Other revenues		10,000	10,000
Total Revenues		85,271,343	88,597,542
Expenditures:			
Salaries and benefits		64,371,709	65,049,606
Services and Supplies		7,302,413	8,350,444
OPEB Contribution		3,939,193	4,287,004
Total Expenditures		75,858,315	77,687,054
Excess (deficiency) of revenues over (under) expenditures		\$9,413,028	\$10,910,488

Source: San Ramon Valley Fire Protection District, Department of Finance; Adopted Budgets.

**General Fund Financial Summary**

The information contained in the following tables of revenues, expenditures and changes in fund balances, and assets, liabilities and fund equity has been derived from the District’s audited financial reports for fiscal years 2014-15 through 2018-19.

A copy of the District’s audited financial report for the twelve months ended June 30, 2019, is attached as APPENDIX B.

**Table 2**  
**SAN RAMON VALLEY FIRE PROTECTION DISTRICT**  
**General Fund Balance Sheet**  
**As of June 30 for Fiscal Years 2014-15 through 2018-19**

	Audited <u>2014-15</u>	Audited <u>2015-16</u>	Audited <u>2016-17</u>	Audited <u>2017-18</u>	Audited <u>2018-19</u>
<b>Assets</b>					
Cash and investments	\$58,728,265	\$57,705,084	\$60,670,163	\$64,119,952	\$72,651,743
Petty cash	1,250	1,250	1,250	1,250	1,250
Receivables (net):					
Accounts	18,452	158,403	1,036,980	1,196,999	2,277,081
Interest	41,393	77,685	125,448	203,021	296,594
Prepaid items	1,542,293	333,408	607,951	933,516	619,124
Total assets	<u>\$52,331,653</u>	<u>\$58,275,830</u>	<u>\$62,441,792</u>	<u>\$66,454,738</u>	<u>\$75,845,792</u>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$609,833	\$831,713	810,781	738,181	\$219,826
Accrued liabilities	1,700,960	2,561,452	2,162,784	2,111,433	2,875,868
Deposits payable	8,679	9,204	9,382	8,494	8,419
Total liabilities	<u>2,319,472</u>	<u>3,402,369</u>	<u>2,982,947</u>	<u>2,858,118</u>	<u>3,104,113</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	-	-	309,107	523,239	759,129
<b>Fund Balances:</b>					
Nonspendable	-	333,408	607,951	933,516	619,124
Committed	13,177,908	16,106,604	17,097,713	17,517,892	18,517,892
Assigned	86,882	48,866	59,153	43,698	43,758
Unassigned	36,747,391	38,384,583	41,384,921	44,578,275	52,801,776
Total fund balance	<u>50,012,181</u>	<u>54,873,461</u>	<u>59,149,738</u>	<u>63,073,381</u>	<u>71,982,550</u>
<b>Total Liabilities, Deferred Inflows and Fund balances</b>	<u><u>\$52,331,653</u></u>	<u><u>\$58,275,830</u></u>	<u><u>\$62,441,792</u></u>	<u><u>\$66,454,738</u></u>	<u><u>\$75,845,792</u></u>

Source: San Ramon Valley Fire Protection District, Department of Finance, Comprehensive Annual Financial Reports for Fiscal Years 2014-15 through 2018-19.

**Table 3**  
**SAN RAMON VALLEY FIRE PROTECTION DISTRICT**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For Fiscal Years 2014-15 through 2018-19**

	Audited <u>2014-15</u>	Audited <u>2015-16</u>	Audited <u>2016-17</u>	Audited <u>2017-18</u>	Audited <u>2018-19</u>
Revenues:					
Property taxes	\$57,771,509	\$62,506,117	\$66,666,012	\$69,840,587	\$73,773,913
Intergovernmental revenues	469,887	857,038	1,726,979	2,764,241	2,415,197
Charges for services	3,892,225	4,177,905	4,850,514	4,476,020	5,768,263
Use of money and property	138,183	331,951	147,545	240,818	1,738,398
Rents, royalties, and commissions	75,059	45,958	62,807	64,224	66,308
Other revenues	180,232	104,651	70,133	140,055	24,983
Total Revenues	<u>62,527,095</u>	<u>68,023,620</u>	<u>73,523,990</u>	<u>77,525,945</u>	<u>83,787,062</u>
Expenditures:					
Salaries and benefits	47,916,087	54,410,781	58,357,026	62,870,567	63,959,422
Central garage	386,133	368,262	830,092	864,255	887,346
Maintenance and repairs	645,878	597,761	735,298	843,568	582,325
Rents and leases	47,933	64,106	60,643	52,590	244,069
Professional & other services	1,520,765	2,025,497	3,043,155	2,298,266	2,512,845
Supplies & utilities	1,370,230	1,469,101	1,612,065	1,806,241	1,818,765
Total Expenditures	<u>51,887,026</u>	<u>58,935,508</u>	<u>64,638,279</u>	<u>68,735,487</u>	<u>70,004,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,640,069</u>	<u>9,088,112</u>	<u>8,885,711</u>	<u>8,790,458</u>	<u>13,782,290</u>
Other financing sources (uses)					
Operating transfers in	168	-	-	-	-
Operating transfers out	(1,797,930)	(4,226,832)	(4,609,434)	(4,866,814)	(4,873,181)
Total other financing sources (uses)	<u>(1,797,762)</u>	<u>(4,226,832)</u>	<u>(4,609,434)</u>	<u>(4,866,814)</u>	<u>(4,873,181)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	8,842,307	4,861,280	4,276,277	3,923,644	8,909,109
Beginning Fund Balance – July 1	41,169,874	50,012,181	54,873,461	59,149,737	63,073,441
Ending Fund Balance – June 30	<u>\$50,012,181</u>	<u>\$54,873,461</u>	<u>\$59,149,738</u>	<u>\$63,073,381</u>	<u>\$71,982,550</u>

Source: San Ramon Valley Fire Protection District, Department of Finance, Comprehensive Annual Financial Reports for Fiscal Years 2014-15 through 2018-19.

### Impact of COVID-19 Crisis on District's General Fund

COVID-19 has not significantly impacted the District's finances to date. During fiscal year 2019-20, the District expended \$145,000 in efforts to protect and respond to COVID-19. In addition, the District incurred \$86,000 of additional staffing costs to cover shifts for employees affected by the virus. Under the CARES (Coronavirus Aid Relief and Economic Stimulus) Act the District has received \$54,000 and requested another \$125,000 for loss of ambulance transport revenue. Furthermore, the District has requested reimbursement for expenses through FEMA (Federal Emergency Management Agency) for all costs related to COVID-19 not covered by the CARES Act.

## Taxes and Other Revenues

Taxes received by the District are listed in the table below. None of the general taxes currently imposed by the District are affected by Proposition 218. See “LIMITATIONS ON TAX REVENUES—California Constitution Article XIII C And Article XIII D (Proposition 218).”

The following table sets forth tax revenues received by the District, by source:

**Table 4**  
**SAN RAMON VALLEY FIRE PROTECTION DISTRICT**  
**General Fund Tax Revenues by Source**  
**For Fiscal Years 2004 through 2021 [update]**

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Revenue from other Agencies</u>	<u>Charges for Services</u>	<u>Use of Money and Property</u>	<u>Rents, Royalties &amp; Commissions</u>	<u>Other Revenues</u>	<u>Total</u>
2004	\$34,686,306	\$1,220,129	\$1,494,538	\$229,904	\$173,770	\$2,676	\$37,807,323
2005	37,844,880	841,812	1,750,852	406,677	139,418	678	40,984,317
2006	42,094,029	957,213	2,073,579	859,411	142,317	14,322	46,140,871
2007	48,521,551	731,532	2,128,641	1,789,342	132,366	21,980	53,325,412
2008	49,729,211	807,774	2,157,453	1,723,008	139,557	44,649	54,601,652
2009	51,335,992	1,309,954	2,499,826	638,353	157,865	25,894	55,967,884
2010	49,680,045	368,861	2,562,304	250,322	143,852	58,745	53,064,129
2011	49,184,817	3,054,056	2,425,597	152,454	159,877	36,058	55,012,859
2012	49,329,131	462,267	2,795,046	98,834	189,978	61,084	52,936,340
2013	48,507,266	1,874,007	2,353,658	58,256	322,020	418,080	54,433,287
2014	53,139,723	1,426,473	3,662,306	79,730	242,098	125,034	57,604,667
2015	57,771,509	469,887	3,892,225	144,281	75,059	1,018,067	63,371,028
2016	62,506,117	857,038	4,177,905	376,027	45,958	148,308	68,111,353
2017	66,666,012	1,726,979	4,850,514	151,431	62,807	141,809	73,599,552
2018	69,840,587	2,764,241	4,476,020	319,282	64,224	169,516	77,633,870
2019	73,773,913	2,415,197	5,768,263	1,952,928	66,308	24,983	84,001,592
2020							
2021							

Source: San Ramon Valley Fire Protection District, Department of Finance.

## Property Taxes

*General.* Property taxes represent the largest source of General Fund revenue. In the 2018-19 fiscal year, property taxes were 87.8% of total District revenues. It has also been the primary revenue source affected by voter initiatives and legislative actions. With approval of Proposition 13, property tax revenues were first curtailed almost 42 years ago when they were reduced by two-thirds and thereafter limited to 2% annual increases or the CPI, whichever was less.

**Assessed Valuation.** All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from ad valorem property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. See “LIMITATIONS ON TAX REVENUES,” below.

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share

the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

For assessment and collection purposes, property is classified as either “secured” or “unsecured” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property comprises all property not attached to land such as personal property or business property. Boats and airplanes are examples of unsecured property. Unsecured property is assessed on the unsecured roll.

**Assessed Valuations, Levies, Collections and Delinquencies.** The following tables show assessed valuations and tax levies, collections and delinquencies for fiscal years 2005-06 through 2020-21. Contra Costa County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), which apply to taxes levied for the District. Under the Teeter Plan, the County guarantees that the District will receive 100% of the taxes levied for it. Any delinquencies are borne by the County, which in return collects and retains all penalties and interest which accrue on the delinquent taxes. Consequently, the District’s tax receipts do not reflect any delinquencies.

**Table 5**  
**SAN RAMON VALLEY FIRE PROTECTION DISTRICT**  
**Assessed Value of Taxable Property**  
**Fiscal Years 2005-06 through 2020-21 [updates ordered]**

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2005-06	\$27,329,344,797	\$381,584	\$447,249,007	\$27,776,975,388
2006-07	30,798,477,318	801,750	503,155,731	31,302,434,799
2007-08	33,325,977,071	488,449	537,112,855	33,863,578,375
2008-09	34,629,953,985	488,449	566,979,063	35,197,421,497
2009-10	33,999,908,443	1,645,966	545,889,815	34,547,444,224
2010-11	33,214,600,585	486,521	513,425,007	33,728,512,183
2011-12	33,301,067,929	1,279,399	514,027,979	33,816,375,307
2012-13	33,374,990,050	1,279,399	498,814,784	33,875,084,233
2013-14	35,398,665,984	1,279,399	538,281,086	35,938,226,469
2014-15	38,274,662,551	1,122,298	553,579,788	38,829,364,637
2015-16	41,268,709,897	425,894	519,977,616	41,789,113,407
2016-17	43,713,111,222	425,894	555,771,128	44,269,308,244
2017-18	46,216,973,345	423,830	507,923,716	46,725,320,891
2018-19	48,674,950,670	1,020,072	520,693,708	49,196,664,450
2019-20				
2020-21				

Source: Contra Costa County Auditor Controller.



**Table 6**  
**SAN RAMON VALLEY FIRE PROTECTION DISTRICT**  
**Top Twenty-Five Local Secured Taxpayers**  
**Fiscal Year 2019-20**

	<u>Property Owner</u>	2019-20 Assessed <u>Valuation</u>	% of <u>Total (1)</u>
1	Sunset Building Company LLC	\$396,945,565	%
2	Chevron USA Inc.	374,834,771	
3	2600 CR LLC	329,263,329	
4	SDC 7	178,268,055	
5	Essex Portfolio LP	146,990,345	
6	Faria Preserve LLC	128,282,302	
7	ROIC California LLC	125,472,852	
8	Shapell Industries Inc.	125,443,004	
9	Shapell Norcal Rental Properties LLC	108,747,267	
10	DS Properties 17 LP	107,924,823	
11	Alexander Properties Company	107,526,882	
12	Clancy Investment Company LLC	105,203,773	
13	San Ramon Regional Medical Center	98,697,027	
14	Federal Realty Investment	96,509,466	
15	Aeonian Partners LP	87,384,697	
16	Essex Canyon Oaks Apartments	77,457,820	
17	Shapell Deer Creek LLC	72,731,370	
18	Essex San Ramon Partners LP	59,221,132	
19	Ardenwood Development Association	58,776,762	
20	Blackhawk Centercal LLC	57,243,006	
21	GMS Five LLC	46,212,950	
22	Oak Reflections 12B2010 LLC	45,937,692	
23	Granada Sales Inc.	42,688,227	
24	Reg8 Tassajara Crossing LLC	40,587,349	
25	Toyota Motor Sales USA Inc.	40,338,954	
		<b>\$3,058,689,420</b>	

Source: HdL, Coren & Cone.

(1) 2019-20 Local Secured Assessed Valuation: \$ \_\_\_\_\_.

**Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes.** In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed Executive Order N-61-20 (“**Order N-61-20**”). Under Order N-61-20, certain provisions of the State Revenue and Taxation Code are suspended until May 6, 2021 to the extent said provisions require a tax collector to impose penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. Said penalties, costs and interest shall be cancelled under the conditions provided for in Order N-61-20, including if the property is residential real property occupied by the taxpayer or the real property qualifies as a small business under certain State laws, the taxes were not delinquent prior to March 4, 2020, the taxpayer files a claim for relief with the tax collector, and the taxpayer demonstrates economic hardship or other circumstances that have arisen due to the COVID-19 pandemic or due to a local, state, or federal governmental response to COVID-19. The impacts on property tax revenues of the waiver of penalties, costs or interest on delinquent property taxes under the circumstances described in Order N-61-20 are unknown at this time. For information about the County’s current distribution of property taxes, see below under the heading “– Teeter Plan.”

**Disclaimer Regarding Property Tax Collection Procedures.** The property tax collection procedures described above are subject to amendment based on legislation or

executive order, including Order N-61-20 described above, which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict changes in law or orders of State officials that might occur in the future, particularly with regard to actions that might be taken in an attempt to mitigate the impacts of the COVID-19 pandemic.

### **Charges for Services**

Charges for services comprise approximately 6.9% of the District's 2018-19 general fund revenues. The major revenue source in this category is ambulance transport charges, which comprise 84% of charges received for services. (The District's medical calls receive a "First Responder" response, which requires staffing a paramedic on every unit during any 24-hour period.) Other revenues in this category include inspection fees, weed abatement charges, CPR classes, reports and photocopies, and other miscellaneous fees for services.

### **Outstanding General Fund Debt and Lease Obligations**

On February 5, 2015, the District entered into a Certificates of Participation financing in the amount of \$12,010,000 (the "**2015 Certificates**"), the proceeds of which were used to refinance the District's \$9,485,000 Certificates of Participation (2006 Capital Improvement Projects) and finance certain improvements to District facilities. The 2015 Certificates are secured by the District's General Fund and mature on August 1, 2035.

In January, 2018, the District entered into an equipment lease financing in the amount of \$5,432,000 (the "**2018 Equipment Lease**"), the proceeds of which were used to finance eight fire engines and five ambulances. The 2018 Equipment Lease matures on February 1, 2028.

Other than the Certificates to be sold pursuant to this Official Statement, the 2015 Certificates and the 2018 Equipment Lease, the District has no outstanding long-term indebtedness.

### **Investments**

The funds of the District are (a) held in cash and investments in banks, and (b) invested in the Local Agency Investment Fund (LAIF).

### **District Retirement System**

**Contra Costa County Employee Retirement Association.** The District provides pension plan benefits to all qualified permanent and probationary District employees through a pension plan offered by the Contra Costa County Employee Retirement Association ("**CCCERA**"), which is a cost sharing multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers.

**Benefits Provided.** CCCERA provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefit provisions are established by State statute, as legislatively amended, and by County resolution. Benefits are based on years of credited service.

**Eligibility.** There are separate retirement plans for General and Safety member employees.

General members hired prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of year of service, or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service, or at age 52, and have acquired five years of retirement service credit.

Safety members hired prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of year of service, or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service, or at age 50, and have acquired five years of retirement service credit.

**Contributions.** Funding contributions for the plan are determined annually on an actuarial basis by the Retirement Association. The District’s contributions during the prior five fiscal years are summarized as follows:

<u>Fiscal Year</u>	<u>Total Contribution</u>
2014-15	\$14,723,941
2015-16	14,694,250
2016-17	15,280,694
2017-18	16,716,767
2018-19	18,481,702

For fiscal year 2019-20, the District’s estimated contribution was \$17,998,402 and for fiscal year 2020-21, the District has budgeted \$19,663,297 for contributions to the plan.

As of June 30, 2019, the District reported a liability of \$69,577,960 for its proportionate share of the Plan’s collective net pension liability. In 2017 the Board gave direction to the Fire Chief to explore options to accelerate the pay down of the unfunded pension obligation. Beginning in Fiscal Year 2017/18, the District has contributed an additional amount to CCCERA equal to 50% of the early payment discount granted by CCCERA for prepaying the annual contribution amount in a single lump-sum payment in July of each year. The additional CCERA contribution amount has ranged from \$260,000 to \$300,000 per year.

See Appendix B “AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019 – Note 8 Defined Benefit Pension Plan.”

**Postemployment Health Care Benefits**

By Board resolution and through agreements with its labor units, the District provides certain other postemployment benefits (“**OPEB**”) for retired employees and their spouse and dependents under third-party insurance plans. The District is a participant in the California Employers’ Retirees Benefit Trust (“**CERBT**”), an irrevocable trust established to fund OPEB, which is administrated by CalPERS.

A summary of eligibility and retiree contribution requirements are shown below:

	<b>Miscellaneous</b>	<b>Safety</b>
Eligibility:	<ul style="list-style-type: none"> <li>- Full-time employees retire directly from District</li> <li>- Service ret: 50 &amp; 10 or 30 YOS</li> <li>- Service-connected disability ret: regardless of age or service</li> <li>- Service includes all 37 Act and CalPERS service</li> <li>- Participates in PEMHCA</li> </ul>	<ul style="list-style-type: none"> <li>- Full-time employees retire directly from District</li> <li>- Service ret: 50 &amp; 10 or 20 YOS</li> <li>- Service-connected disability ret: regardless of age or service</li> <li>- Service includes all 37 Act and CalPERS service</li> <li>- Participates in PEMHCA</li> </ul>
Medical Benefits:	<ul style="list-style-type: none"> <li>- District pays 100% of the medical premiums for retiree, spouse and dependents</li> <li>- District pays 92% of the second highest Bay Area Basic plan offered by CalPERS</li> </ul>	
Dental, Vision, Life & EAP:	<ul style="list-style-type: none"> <li>- Dental, Vision, EAP: District pays 50% of premium for retiree, spouse and dependents</li> <li>- Life: District pays 50% of premium for retiree only until age 65</li> </ul>	

As of June 30, 2019, approximately 338 participants were eligible to receive benefits.

**Contributions.** The obligation of the District to contribute to the plan is based on an actuarial determined rate. For the fiscal year ended June 30, 2019, the District's contributions were \$7,255,543.

**Changes in Net OPEB Liability.** The changes in the net OPEB liability for the District are as follows:

Balance at June 30, 2018	\$77,566,726
Changes During the Period:	
Service Cost	2,081,926
Interest Cost	5,475,945
Benefit payments	<u>(2,841,734)</u>
Net changes	<u>4,716,137</u>
Balance at June 30, 2019	<u>82,282,863</u>

In 2015, the District adopted an OPEB Funding Policy that calls for full funding of the annual actuarial determined rate plus an additional annual contribution of up to \$200,000 when the District budget projects an operating surplus for the upcoming year. The District has made the additional contribution of \$200,000 each fiscal year since adopting the policy.

At June 30, 2019, the District reported deferred outflows of resources in the amount of \$7,255,543 for contributions subsequent to the measurement date. This amount will be recognized as an OPEB expense in fiscal year 2019-20.

See Appendix B "AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019 – Note 9 – Post Employment Health Care Benefits."

### **Direct and Overlapping Debt**

Contained within the District are overlapping local agencies providing public services which have issued general obligation bonds and other types of indebtedness. Direct and overlapping bonded indebtedness is shown in the following table.

**Table 7**  
**SAN RAMON VALLEY FIRE PROTECTION DISTRICT**  
**Statement of Direct and Overlapping Debt**  
**as of September 1, 2020 [table ordered]**

## LIMITATIONS ON TAX REVENUES

There are a number of provisions in the State Constitution that limit the ability of the District to raise and expend tax revenues.

### Property Tax Rate Limitations - Article XIII A

On June 6, 1978, California voters approved Proposition 13 (“**Proposition 13**”), which added Article XIII A to the State Constitution (“**Article XIII A**”). Article XIII A limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIII A approved by State 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-third of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. 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 have occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed two percent per year to account for inflation. The District’s spending limit far exceeds the appropriation limit.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, 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.

*Legislation Implementing Article XIII A.* Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

### Appropriation Limitation - Article XIII B

On November 6, 1979, the voters of the State approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the State Constitution. On June 5, 1990, the voters

approved Proposition 111, which amended Article XIII B in certain respects. Under Article XIII B, as amended, state and local government entities each have an annual “appropriations limit” which limits the ability to spend certain monies which are called “appropriations subject to limitation” (consisting of most tax revenues and certain state subventions, together called “proceeds of taxes,” and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of monies which are excluded from the definition of “appropriations limit,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by two thirds of the voters. The “appropriations limit” is adjusted annually for changes in the cost of living and in population, for transfers in the financial responsibility for providing services, and in the case of certain declared emergencies. If an entity receives any proceeds of taxes in excess of its appropriations limit, it may, by resolution of the entity’s governing board, increase its appropriations limit to equal that amount (provided that the State has excess appropriations limit of its own in that fiscal year). The District’s appropriations limit for fiscal year 2014-15 is \$135,118,007, which is more than twice the District’s annual fund budget of \$53,700,000.

### **California Constitution Article XIII C and Article XIII D (Proposition 218)**

On November 5, 1996, California voters approved Proposition 218-Voter Approval for Local Government Taxes-Limitation on Fees, Assessments, and Charges-Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. With the exception of fees imposed for ambulance transport and plan check fees, the District does not impose any such taxes, assessments, fees or charges; and, with the exception of the basic one percent ad valorem property tax levied and collected by the County pursuant to Article XIII A of the California Constitution, a portion of which is allocated to the District, no such taxes, assessments, fees or charges are imposed on behalf of the District. Accordingly, while the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District, the District does not believe that Proposition 218 will directly impact the revenues available to it to make the Lease Payments required pursuant to the Lease Agreement.

### **Future Initiatives**

From time to time other initiative measures could be adopted, further affecting the District’s finances or the District’s ability to raise or expend revenues.

### **State Budgets**

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. California school districts receive a significant portion of their funding from State appropriations. As a result, decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

*The following information concerning the State’s budgets for the current year has been compiled from publicly-available information provided by the State. Neither the District nor the Underwriter is responsible for the information relating to the State’s budgets provided in this*

section. Further information is available from the Public Finance Division of the State Treasurer's Office.

**The Budget Process.** The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "**Governor's Budget**"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

## **2020-21 State Budget**

**Introduction and Background.** The Governor signed the fiscal year 2020-21 State Budget (the "**2020-21 State Budget**") on June 29, 2020. The 2020-21 State Budget notes that the COVID-19 pandemic has impacted every sector of the State's economy and has caused record high unemployment, and further action from the federal government is needed as a result of the crisis. The Governor is pursuing \$1 trillion in flexible federal aid to state and local governments across the country, which support will be critical to mitigate the effects of the public health crisis, encourage recovery, and support persons in need.

At the time of the Governor's proposed 2020-21 State Budget in January, the State was projecting a surplus of \$5.6 billion. At the time of the May Revision with respect to the 2020-21 State Budget, the State had a budget deficit of \$54.3 billion. The 2020-21 State Budget includes measures to close the gap and bring the State's resources and spending into balance while preserving reserves for future years.

To reduce the structural deficit in the coming years, the 2020-21 State Budget sustains the January 1, 2022 suspension of several ongoing programmatic expansions that were made in the 2019 Budget Act. In addition, the 2020-21 State Budget accelerates the suspension of most Proposition 56 (2016 tobacco tax measure) tax rate increases to July 1, 2021. Despite these measures, the State forecasts an operating deficit of \$8.7 billion in 2021-22, after accounting for reserves.



**Closing the Budget Gap.** The 2020-21 State Budget uses the following strategies to close the budget gap:

- **Reserve Draw Down:** Draws down \$8.8 billion in reserves, including from the State's Rainy Day Fund (\$7.8 billion), the Safety Net Reserve (\$450 million), and all of the funds in the Public School System Stabilization Account.
- **Triggers:** Includes \$11.1 billion in funding reductions and deferrals that will be restored if at least \$14 billion in federal funds are received by October 15, 2020. If the State receives a lesser amount between \$2 billion and \$14 billion, the reductions and deferrals will be partially restored. The trigger includes \$6.6 billion in deferred funding for schools.
- **Federal Funds:** Relies on \$10.1 billion in federal funds that provide State general fund relief, including \$8.1 billion already received.
- **Revenues:** Temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to \$5 million the amount of business incentive credits a taxpayer can use in any given tax year. These short-term limitations will generate \$4.4 billion in new revenues in the 2020-21 fiscal year.
- **Borrowing/Transfers/Deferrals:** Relies on \$9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools. Approximately \$900 million in additional special fund borrowing is associated with the reductions to employee compensation and is contained in the trigger.
- **Other Solutions:** Cancelling multiple program expansions and anticipating increased government efficiencies, higher ongoing revenues above the May Revision forecast and lower health and human services caseload costs than the May Revision estimated.

**General Budget Highlights.** Certain highlights of the 2020-21 State Budget are:

**Emergency Response:** COVID-19 and other emergency response efforts included in the 2020-21 State Budget are:

- **Responding to COVID-19:** The State expects to receive over \$72 billion in federal assistance to State programs, of which unemployment insurance represents about \$52 billion of this total. Under the CARES Act, the State received \$9.5 billion for various uses including \$4.4 billion to mitigate K-14 learning loss. The amount of \$5.9 million of General Fund spending for 2020-21 and \$4.8 million ongoing is allocated to support the State Department of Health's response to COVID-19.
- **Enhancements to Emergency Responses and Preparedness:** \$117.6 million is allocated to the State Office of Emergency Services to enhance emergency preparedness and response capabilities, including with respect to power outages, earthquakes, wildfires and cybersecurity.
- **Forestry and Fire Protection:** \$90 million is allocated to enhance CAL FIRE's fire protection capabilities, including for wildfire prediction and modeling technology.

Revenue Solutions. Revenue measures which are expected to net \$4.3 billion in 2020-21, \$3.1 billion in 2021-22 and \$1.3 billion in 2022-23, include:

- Certain Tax Measure Extensions. Extending certain tax measures including certain sales tax exemptions through the end of 2022-23, extending the carryover period for film credits from 6 years to 9 years, and extending the current exemption from the minimum tax for first year corporations to first year limited liability corporations, partnerships, and limited liability partnerships.
- Expansion of Earned Income Tax. Expanding the Earned Income Tax Credit to certain taxpayers.
- Changes to Tax Laws and Sales Tax. Changes in tax law including suspending net operating losses for 2020, 2021, and 2022 for medium and large businesses, and limiting certain business incentive tax credits, and with respect to closing the sale tax loss gap, requiring used car dealers to remit sales tax to the Department of Motor Vehicles with registration fees.

Recovery for Small Businesses. The 2020-21 State Budget includes a waiver of the minimum franchise tax for the first year of operation, \$100 million budgeted for the State's small business loan program, \$25 million to provide capital to enable the origination of more loans in underbanked communities, and adding funding of \$758,000 ongoing for positions relating to small business support.

Housing. Up to \$500 million is allocated in State tax credits for low-income housing in 2021, under certain conditions. The 2020-21 State Budget provides \$331 million in National Mortgage Settlement funds to help prevent avoidable foreclosures and evictions, and \$8.3 billion across multiple departments and programs to address housing throughout the State.

**State Budget Sources.** Certain information about the State budgeting process and the State Budget is available through several State sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only; the information contained within the websites has not been reviewed by the District and is not incorporated herein by reference.

The California State Treasurer's Internet home page at [www.treasurer.ca.gov](http://www.treasurer.ca.gov), under the heading "Bond Information," posts various State Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

The California State Treasurer's Internet home page at [www.treasurer.ca.gov](http://www.treasurer.ca.gov), under the heading "Financial Information," posts the State's audited financial statements. In addition, the "Financial Information" section includes the State's Rule 15c2-12 filings for State bond issues. The "Financial Information" section also includes the "Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation" from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

The California Department of Finance's Internet home page at [www.dof.ca.gov](http://www.dof.ca.gov), under the heading "California Budget," includes the text of proposed and adopted State Budgets.

The State Legislative Analyst's Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at [www.lao.ca.gov](http://www.lao.ca.gov) under the heading "Products."

## **RISK FACTORS**

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Certificates.

### **No Pledge of Taxes**

The obligation of the District to pay the Lease Payments and Additional Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligation of the District to pay Lease Payments and Additional Payments does not constitute a debt or indebtedness of the Corporation, the District, the State or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the District, the District is obligated under the Lease Agreement to pay Lease Payments and Additional Payments from any source of legally available funds (subject to certain exceptions) and the District has covenanted in the Lease Agreement that, for as long as the Leased Property is available for its use and possession, it will make the necessary annual appropriations within its budget for all Lease Payments and Additional Payments. The District is currently liable on other obligations payable from general revenues, including certificates of participation which are described above under "DISTRICT FINANCES— Outstanding General Fund Debt and Lease Obligations."

Certain fees and charges presently imposed by the District could be subject to the voter approval requirements of Article XIIC and Article XIID of the State Constitution. Based upon the outcome of an election by the voters, such fees, charges, assessments and taxes might no longer be permitted to be imposed, or may be reduced or eliminated and new taxes, assessments fees and charges may not be approved. The District has assessed the potential impact on its financial condition of the provisions of Article XIIC and Article XIID of the State Constitution respecting the imposition and increase of fees and charges and does not believe that an election by the voters to reduce or eliminate the imposition of certain existing fees and charges would substantially affect its financial condition.

### **Additional Obligations of the District**

The District is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Certificates. To the extent that additional obligations are incurred by the District, the funds available to pay Lease Payments may be decreased.

The Lease Payments and other payments due under the Lease Agreement (including payment of costs of repair and maintenance of the Leased Property, taxes and other governmental charges levied against the Leased Property) are payable from funds lawfully available to the District. If the amounts which the District is obligated to pay in a fiscal year exceed the District's revenues for such year, the District may choose to make some payments rather than

making other payments, including Lease Payments and Additional Payments, based on the perceived needs of the District.

**Default**

Whenever any event of default referred to in the Lease Agreement happens and continues, the Trustee, as the assignee of the Corporation, is authorized under the terms of the Lease Agreement to exercise any and all remedies available under law or granted under the Lease Agreement. **THERE IS NO RIGHT UNDER ANY CIRCUMSTANCES TO ACCELERATE THE LEASE PAYMENTS OR OTHERWISE DECLARE ANY LEASE PAYMENTS NOT THEN DUE OR PAST DUE TO BE IMMEDIATELY DUE AND PAYABLE. NEITHER THE CORPORATION NOR THE TRUSTEE HAS ANY RIGHT TO RE-ENTER OR RE-LET THE LEASED PROPERTY EXCEPT FOLLOWING THE OCCURRENCE AND DURING THE CONTINUATION OF AN EVENT OF DEFAULT UNDER THE LEASE AGREEMENT.** Following an event of default, the Corporation may elect either to terminate the Lease Agreement and seek to collect damages from the District or to maintain the Lease Agreement in effect and seek to collect the Lease Payments as they become due. The Lease Agreement further provides that so long as an event of default exists under the Lease Agreement, the Corporation, or its assignee, may re-enter the Leased Property for the purpose of taking possession of any portion of the Leased Property and to re-let the Leased Property and, in addition, at its option, with or without such entry to terminate the Lease Agreement as described therein. See APPENDIX C—“SUMMARY OF PRINCIPAL LEGAL DOCUMENTS—Lease Agreement.”

No assurance can be given that the Trustee will be able to re-let the Leased Property so as to provide rental income sufficient to pay principal and interest evidenced by the Certificates in a timely manner or that such re-letting will not adversely affect the exclusion of interest with respect thereto from gross income for federal or State income tax purposes. Furthermore, it is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect to the Leased Property.

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease Agreement and the Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Certificates or pay debt service with respect thereto. The District will be liable only for Lease Payments on an annual basis and, in the event of a default, the Trustee would be required to seek a separate judgment each year for that year’s defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in California, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

**No Reserve Fund**

There has been no reserve fund established under the Trust Agreement. As a result, there could be insufficient funds to make debt service payments on the Certificates in the event that the District is unable to pay its Lease Payment obligations under the Lease Agreement.

**No Rental Interruption Insurance**

Under the Lease, the District will bear the risk of any damage to or destruction of the Leased Property and will be solely responsible to provide insurance against such damage or destruction. Although funds and accounts established under the Trust Agreement may be

available to make debt service payments on the Certificates in the event of damage or destruction to the Leased Property, the District is not required under the Lease to maintain rental interruption insurance and there could be insufficient funds to make payments to Owners in full. See “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Termination and Abatement.”

### **Loss of Tax Exemption**

As discussed under the heading “TAX MATTERS,” certain acts or omissions of the District in violation of its covenants in the Trust Agreement and the Lease Agreement could result in the interest represented by the Certificates being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Certificates. Should such an event of taxability occur, the Certificates would not be subject to a special prepayment and would remain Outstanding.

### **State Budget**

In July 1992, the State Legislature enacted legislation which, among other things, reallocated funds from certain taxing entities to school districts by shifting a portion of each entity’s property tax revenues to school districts for such fiscal years, for deposit in the State’s educational revenue augmentation funds (“**ERAF**”). ERAF shifts result in reductions to the District’s revenues in each fiscal year. The District’s ERAF shift for fiscal year 2018-19 was \$\_\_\_\_\_. [confirm]

The District cannot predict whether the State Legislature or the voters will enact legislation in future years requiring further shifts of property taxes to the State or to schools, whether through an arrangement similar to ERAF or by any other arrangement, or requiring other shifts in District revenue sources.

### **Property Taxes**

**Levy and Collection.** The District does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the District’s property tax revenues, and accordingly, could have an adverse impact on the ability of the District to make Lease Payments. The County has adopted the Teeter Plan, which guarantees that the District will receive 100% of the taxes levied for it. Should the County eliminate the Teeter Plan, delinquencies in the payment of property taxes could have an adverse effect on the District’s ability to pay principal and interest with respect to the Certificates when due.

**Reduction in Inflationary Rate.** As described in greater detail above, Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS.”

This measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates that were less than 2%. Since Article XIII A was approved, the annual adjustment for inflation has fallen below the 2% limitation 12 times:

Fiscal Year 1983-84	1.000%
Fiscal Year 1995-96	1.190%
Fiscal Year 1996-97	1.110%
Fiscal Year 1999-00	1.850%
Fiscal Year 2004-05	1.867%
Fiscal Year 2009-10	-0.240%
Fiscal Year 2010-11	0.750%
Fiscal Year 2012-13	0.454%
Fiscal Year 2013-14	0.454%
Fiscal Year 2014-15	0.454%
Fiscal Year 2015-16	1.998%
Fiscal Year 2016-17	1.525%

**Appeals of Assessed Values.** There are two types of appeals of assessed values that could adversely impact property tax revenues:

*Proposition 8 Appeals.* Most of the appeals that might be filed in the District would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. However, current case law is uncertain as to whether or not property may be adjusted to its prior value at once or if adjustments may only be made subject to the 2% limitation. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIII A of the California Constitution – Litigation Regarding 2% Limitation."

**Base Year Appeals.** A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

No assurance can be given that property tax appeals in the future will not significantly reduce the District's property tax revenues.

**COVID-19**

***Impacts on Global and Local Economies; Potential Declines in State Revenues and Assessed Valuations.*** The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the economic and other of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain.

The COVID-19 public health emergency will have negative impacts on global and local economies, including the economy of the State and in the region of the District. The extent and duration of the COVID-19 emergency is currently unknown, and the reach of its impacts uncertain. The District's general fund would be impacted by reductions in assessed valuations, which could affect the District's ability to make its Lease Payments under the Lease Agreement.

The State's revenue sources are anticipated to be materially impacted by the COVID-19 pandemic, including with respect to reductions in personal income tax receipts and capital gains tax receipts. Economic uncertainty caused by the outbreak will significantly affect California's near-term fiscal outlook, with a likely recession due to pullback in activity across wide swaths of the economy. For more detail regarding the State's adopted 2020-21 State Budget, see "LIMITATINOS ON TAX REVENUES – 2020-21 State Budget."

In addition, in an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed an executive order suspending penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. See "DISTRICT FINANCES – Property Taxes – Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes."

For more information about how the District has responded to the COVID-19 emergency, see "DISTRICT FINANCES – Impact of COVID-19 Crisis on District's General Fund."

**Earthquakes**

Like many areas of California, the District is subject to seismic activity. There are known fault splays beneath the District, and the District could be at risk from strong ground motion from a number of nearby seismically active faults. The District is obligated under the Lease Agreement to maintain earthquake insurance on the Leased Property only if available at reasonable cost from reputable insurers in the reasonable opinion of the District. The Calaveras Fault is a major fault located in the District and has been designated as a Special Study Zone pursuant to the Alquist-Priolo Special Study Zones Act. The Hayward, Clayton-Marsh Creek-Greenville, San Andreas, Dublin and Bollinger Faults traverse portions of the District. These smaller faults are capable of producing significant ground shaking in the District. None of the fire stations comprising the Leased Property are located in the Alquist Priolo Study Area. The District does not currently maintain earthquake insurance. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Insurance."

## **Wildfire Hazards**

The Town of Danville has many acres of woodlands, grasslands and chaparral areas, which create a wildfire hazard during the summer and fall dry seasons. The northwestern corner of the City of San Ramon and certain areas of communities of Alamo, Blackhawk, Diablo, the Morgan Territory and Tassajara Valley have steep woodland slopes and grassy hills creating high to extreme hazards. None of the fire stations comprising the Leased Property are located in a Very High Fire Severity Zone.

## **Limitations on Remedies; Bankruptcy**

The rights of the owners of the Certificates are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Certificates, and enforcement of the District's obligations under the Lease Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State. Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the District, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights. See "RISK FACTORS—Default."

## **THE CORPORATION**

The Corporation was incorporated in June of 1989 as a nonprofit public benefit corporation under the laws of California. The Corporation has been formed for the purpose of providing financial assistance to the District in financing capital improvement projects. The members of the District Board of Directors serve as the governing board of the Corporation. The Fire Chief of the District serves as Executive Director of the Corporation.



## TAX MATTERS

**Federal Tax Status.** In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to the qualifications set forth below, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the execution and delivery of the Certificates in order that the interest with respect thereto be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of execution and delivery of the Certificates.

**Tax Treatment of Original Issue Discount and Premium.** If the initial offering price to the public at which a Certificate is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Certificate is sold is greater than the amount payable at maturity thereof, then such difference constitutes "bond premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and bond premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Certificate on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Certificates to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Certificate. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Certificates who purchase the Certificates after the initial offering of a substantial amount of such maturity. Owners of such Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Certificates is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Certificate (said term being the shorter of the Certificate's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Certificate for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Certificate is amortized each year over the term to maturity of the Certificate on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Certificate premium is not deductible for federal income tax purposes. Owners of premium Certificates, including

purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Certificates.

**California Tax Status.** In the further opinion of Special Counsel, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from California personal income taxes.

**Other Tax Considerations.** Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest with respect to the Certificates to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to Certificates issued prior to enactment.

The opinions expressed by Special Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Special Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest with respect to the Certificates, or as to the consequences of owning or receiving interest with respect to the Certificates, as of any future date. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Counsel expresses no opinion.

Owners of the Certificates should also be aware that the ownership or disposition of, or the accrual or receipt of interest with respect to, the Certificates may have federal or state tax consequences other than as described above. Other than as expressly described above, Special Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Certificates, the ownership, sale or disposition of the Certificates, or the amount, accrual or receipt of interest with respect to the Certificates.

The form of Special Counsel's Opinion with respect to the Certificates is attached hereto as APPENDIX D.

## **FINANCIAL STATEMENTS OF THE DISTRICT**

Attached as APPENDIX B are the audited financial statements of the District as of and for the year ended June 30, 2019, of Eide Bailly, LLP, Certified Public Accountants, San Ramon, California (the "**Auditor**"). Such audited financial statements have been included in this Official Statement in reliance upon the report of the Auditor. The Auditor has not undertaken to update the audited financial statements of the District or its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement.

## PROFESSIONALS INVOLVED IN THE OFFERING

Certain legal matters incident to the authorization, sale, execution and delivery of the Certificates are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel. Certain legal matters will be passed upon for the District by Jones Hall, A Professional Law Corporation, as disclosure counsel. Certain legal matters will be passed upon for the District and the Corporation by Herum Crabtree Suntag, Stockton, California, counsel to the District and the Corporation. Kutak Rock LLP, Irvine, California, is serving as counsel to the Underwriter.

Compensation of the Underwriter, Special Counsel and Disclosure Counsel is contingent upon the execution and delivery of the Certificates.

## LITIGATION

To the best knowledge of the District there is no action, suit or proceeding known to be pending, or threatened, restraining or enjoining the execution or delivery of the Certificates, the Trust Agreement, the Site Lease, the Lease Agreement, the Assignment Agreement or any other document relating to the Certificates, or in any way contesting or affecting the validity of the foregoing.

## RATING

Moody's Investors Service, Inc. ("**Moody's**") has assigned a rating of "\_\_\_" to the Certificates.

Such rating reflects only the views of this rating agency and any desired explanation of the significance of such rating should be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Certificates.

## UNDERWRITING

The Certificates have been purchased by Oppenheimer & Co. Inc., as the Underwriter. Pursuant to a purchase agreement by and between the Underwriter and the District (the "**Purchase Agreement**"), the Underwriter has agreed to purchase the Certificates from the District at a purchase price of \$\_\_\_\_\_ (equal to the principal amount of the Certificates, plus a net original issue premium of \$\_\_\_\_\_ and less an Underwriter's discount of \$\_\_\_\_\_). The Purchase Agreement provides that the Underwriter will purchase all of the Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

## CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and Beneficial Owners of the Certificates to provide certain annual financial information and operating data relating to the District (the “**Annual Report**”) and to provide notices of the occurrence of certain enumerated events to the Municipal Securities Rulemaking Board (the “**MSRB**”). The District will file the Annual Report by not later than 6 months after the end of the District’s fiscal year (which currently ends on June 30), commencing with the report due by December 31, 2020, for the 2019-20 Fiscal Year. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in APPENDIX F—“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) (the “**Rule**”).

The District has one continuing disclosure undertaking under the Rule for the 2015 Certificates. In the past five years, the District has on two occasions filed its annual report late and failed to file notices of late filings. All such missing information has been filed with the Municipal Securities Rulemaking Board on or prior to the date of this Official Statement, and the District has taken steps to assure future timely compliance with its undertakings under the Rule. The Trustee will act as dissemination agent for the Certificates, but the District will prepare and supply Annual Reports and any notices of enumerated events to the Trustee for filing with the MSRB. [update/confirm]

## EXECUTION

The execution and delivery of this Official Statement has been duly authorized by the Board of Directors of the District.

SAN RAMON VALLEY FIRE PROTECTION  
DISTRICT

By \_\_\_\_\_  
Fire Chief/District Treasurer

## APPENDIX A

### ECONOMIC AND DEMOGRAPHIC INFORMATION ABOUT THE TOWN OF DANVILLE, THE CITY OF SAN RAMON, AND CONTRA COSTA COUNTY

*The following information concerning Contra Costa County (the "County"), the City of San Ramon (the "City") and the Town of Danville (the "Town") is included only for the purpose of supplying general information regarding the area of the District. The majority of the District is located in unincorporated portions of the County.*

*The Certificates are not a debt of the City, the Town, the County, the State or any of its political subdivisions, and neither the City, the Town, the County, the State nor any of its political subdivisions is liable therefor.*

#### **San Ramon**

The City is located in the County approximately 34 miles east of the City of San Francisco and across the San Francisco Bay. The estimated population of the City as of January 1, 2020 is 83,118. The City was incorporated in 1983 under the general laws of the State and by election in 1997 converted to a Charter City. The City has a council-manager form of government. There are five Council Members who serve overlapping terms of four years, and the Council, in turn, selects one of the Council Members to serve as Mayor for one year. The legislative body selects a City Manager to administer the affairs of the City. The City provides police services, highway and street maintenance, building and safety inspection, parks/culture/recreation, public improvements, planning and zoning, and general administrative services.

#### **Danville**

The Town is located in the County approximately 28 miles east of the City of San Francisco and across the San Francisco Bay. The estimated population of the Town as of January 1, 2020 is 43,876. The Town was incorporated in 1982 under the general laws of the State. The Town has a council-manager form of government. There are five Council Members who serve overlapping terms of four years, and the Council, in turn, selects one of the Council Members to serve as Mayor for one year. The legislative body selects a Town Manager to administer the affairs of the Town. The Town provides police services, highway and street maintenance, building and safety inspection, parks/culture/recreation, public improvements, planning and zoning, and general administrative services.

#### **Contra Costa County**

The District is located in the County, one of the nine counties in the San Francisco-Oakland Bay Area. Situated northeast of San Francisco, the County is bounded by San Francisco and San Pablo Bays, the Sacramento River Delta, and by Alameda County on the south. Ranges of hills effectively divide the County into three distinct regions. The western portion, with its access to water, contains much of the County's heavy industry. The central section is rapidly developing from a suburban area into a major commercial and financial headquarters center. The eastern part is also undergoing substantial change, from a rural, agricultural area, to a suburban region. The County has extensive and varied transportation facilities-ports accessible to ocean-going vessels, railroads, freeways, and rapid transit lines connecting the area with Alameda County and San Francisco.

## Population

The following table lists population estimates for the Town, the City, the County, and the other major cities in the County as of January 1 each year for the last five calendar years.

**TOWN OF DANVILLE, CITY OF SAN RAMON,  
AND COUNTY OF CONTRA COSTA  
Population Estimates  
Calendar Years 2016 through 2020**

	2016	2017	2018	2019	2020
<b>Contra Costa County</b>					
Antioch	111,425	112,062	112,094	112,423	112,520
Brentwood	59,559	61,453	62,993	64,365	65,118
Clayton	11,361	11,378	11,364	11,347	11,337
Concord	129,220	129,825	130,269	130,435	130,143
<b>Danville</b>	<b>43,806</b>	<b>43,826</b>	<b>43,881</b>	<b>43,923</b>	<b>43,876</b>
El Cerrito	24,559	24,608	24,675	24,852	24,953
Hercules	24,870	25,339	25,339	25,488	25,530
Lafayette	25,380	25,484	25,504	25,644	25,604
Martinez	37,305	37,414	37,439	37,424	37,106
Moraga	16,741	16,799	16,908	16,939	16,946
Oakley	39,725	40,474	41,232	41,979	42,461
Orinda	18,722	18,746	18,822	18,911	19,009
Pinole	19,430	19,498	19,546	19,563	19,505
Pittsburg	69,867	71,530	73,215	73,565	74,321
Pleasant Hill	34,272	34,300	34,292	34,286	34,267
Richmond	109,449	110,103	110,585	110,793	111,217
San Pablo	30,899	31,073	31,341	31,481	31,413
<b>San Ramon</b>	<b>79,483</b>	<b>80,812</b>	<b>81,580</b>	<b>82,100</b>	<b>83,118</b>
Walnut Creek	69,549	70,031	70,389	70,958	70,860
Balance of County	172,783	174,106	173,673	174,145	174,257
<b>County Total</b>	<b>1,128,405</b>	<b>1,138,861</b>	<b>1,145,141</b>	<b>1,150,621</b>	<b>1,153,561</b>
<b>State of California</b>	<b>39,131,307</b>	<b>39,398,702</b>	<b>39,586,646</b>	<b>39,695,376</b>	<b>39,782,870</b>

Source: State of California, Department of Finance, Demographic Research Unit.

## Industry and Employment

The District is included in the Oakland-Hayward-Berkeley Metropolitan Division (“MD”). The unemployment rate in the Oakland-Hayward-Berkeley MD was 13.4% in June 2020, down from a revised 13.8% in May 2020, and above the year-ago estimate of 3.1%. This compares with an unadjusted unemployment rate of 15.1% for California and 11.2% for the nation during the same period. The unemployment rate was 13.4% in Alameda County, and 13.4% in Contra Costa County.

The table below lists employment by industry group for Alameda and Contra Costa Counties for the years 2015 to 2019.

**OAKLAND-HAYWARD-BEKELEY MD  
(Alameda and Contra Costa Counties)  
Annual Averages Civilian Labor Force, Employment and Unemployment,  
Employment by Industry  
(March 2019 Benchmark)**

	2015	2016	2017	2018	2019
Civilian Labor Force <sup>(1)</sup>	1,370,600	1,394,600	1,412,200	1,412,800	1,406,100
Employment	1,304,200	1,334,000	1,359,500	1,369,500	1,364,200
Unemployment	66,400	60,700	52,700	43,200	41,900
Unemployment Rate	4.8%	4.3%	3.7%	3.1%	3.0%
<u>Wage and Salary Employment: <sup>(2)</sup></u>					
Agriculture	1,300	1,400	1,300	n/a	1,400
Mining and Logging	300	300	200	200	200
Construction	62,800	67,900	71,200	75,400	75,600
Manufacturing	88,100	91,000	95,500	100,400	99,600
Wholesale Trade	47,000	48,100	48,700	48,000	45,600
Retail Trade	111,800	113,400	114,400	114,700	112,100
Transportation, Warehousing, Utilities	37,500	39,200	40,500	42,100	42,900
Information	25,000	26,400	26,800	27,400	27,900
Finance and Insurance	37,400	38,800	38,700	37,200	37,100
Real Estate and Rental and Leasing	16,800	16,900	17,400	17,700	18,000
Professional and Business Services	177,500	181,200	184,700	189,500	191,900
Educational and Health Services	178,600	185,900	191,500	194,900	197,700
Leisure and Hospitality	106,600	111,700	114,900	116,600	120,100
Other Services	38,100	39,100	40,200	40,700	41,300
Federal Government	13,800	13,900	13,800	13,600	13,400
State Government	39,900	39,700	39,300	39,500	39,600
Local Government	115,600	119,800	121,500	122,100	122,100
Total, All Industries <sup>(3)</sup>	1,098,000	1,134,600	1,160,600	1,181,200	1,186,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: Labor Division of the California State Employment Development Department.

## Major Employers

The following table lists the largest employers within the County.

### COUNTY OF CONTRA COSTA Largest Employers As of August 2020

<u>Employer Name</u>	<u>Location</u>	<u>Industry</u>
BART	Richmond	Transit Lines
Bio-Rad Laboratories Inc	Hercules	Physicians & Surgeons Equip & Supls-Mfrs
Broadspectrum Americas	Richmond	Oil Refiners (mfrs)
C & H Sugar Co Inc	Crockett	Sugar Refiners (mfrs)
Chevron Corp	San Ramon	Oil Refiners (mfrs)
Chevron Research & Technology	San Ramon	Service Stations-Gasoline & Oil
Chevron Richmond Refinery	Richmond	Oil Refiners (mfrs)
Contra Costa Regional Med Ctr	Martinez	Hospitals
Job Connections	Danville	Personnel Consultants
John Muir Health Concord Med	Concord	Hospitals
John Muir Medical Ctr	Walnut Creek	Hospitals
Kaiser Permanente Antioch Med	Antioch	Hospitals
Kaiser Permanente Walnut Creek	Walnut Creek	Hospitals
La Raza Market	Richmond	Grocers-Retail
Martinez Medical Offices	Martinez	Clinics
Nordstrom	Walnut Creek	Department Stores
Robert Half Intl	San Ramon	Employment Agencies & Opportunities
San Ramon Regional Medical Ctr	San Ramon	Hospitals
Santa Fe Pacific Pipe Lines	Richmond	Pipe Line Companies
Shell Oil Prod US Martinez	Martinez	Oil & Gas Producers
St Mary's College of California	Moraga	Schools-Universities & Colleges Academic
Sutter Delta Medical Ctr	Antioch	Hospitals
Tesoro Golden Eagle Refinery	Pacheco	Service Stations-Gasoline & Oil
US Veterans Medical Ctr	Martinez	Outpatient Services
USS Posco Industries	Pittsburg	Steel Mills (mfrs)

*Source: State of California Employment Development Department. America's Labor Market Information System (ALMIS) Employer Database, 2020 1st Edition.*



**Effective Buying Income**

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the Town of Danville, the City of San Ramon, the County, the State and the United States for the period 2016 through 2020.

**TOWN OF DANVILLE, CITY OF SAN RAMON, COUNTY OF CONTRA COSTA,  
STATE OF CALIFORNIA, AND UNITED STATES  
EFFECTIVE BUYING INCOME  
As of January 1, 2016 through 2020**

<u>Year</u>	<u>Area</u>	<u>Total Effective Buying Income (000's Omitted)</u>	<u>Median Household Effective Buying Income</u>
2016	Town of Danville	\$2,352,273	\$107,025
	City of San Ramon	3,806,063	105,299
	Contra Costa County	37,417,068	68,074
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2017	Town of Danville	\$2,567,020	\$110,855
	City of San Ramon	3,881,938	104,341
	Contra Costa County	39,248,375	69,967
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	Town of Danville	\$2,824,068	\$118,076
	City of San Ramon	4,247,166	110,900
	Contra Costa County	42,543,271	74,398
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	Town of Danville	\$3,058,045	\$128,209
	City of San Ramon	4,473,208	117,069
	Contra Costa County	46,121,254	79,603
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	Town of Danville	\$3,183,807	\$135,532
	City of San Ramon	4,752,168	123,886
	Contra Costa County	48,775,464	83,242
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303

*Source: The Nielsen Company (US), Inc for years 2016 through 2018; Claritas, LLC for 2019 and 2020.*

**Commercial Activity**

Summaries of historic taxable sales within the Town, the City, and the County during the past five years for which data are available are shown in the following tables.

During the first quarter of calendar year 2020, total taxable transactions in the Town were reported to be \$89,386,121, representing a 18.70% decrease over the total taxable transactions of \$109,947,561 that were reported in the Town of Danville during the first quarter of calendar year 2019.

**TOWN OF DANVILLE  
Taxable Transactions  
(Dollars in Thousands)**

<b>Year</b>	<b>Retail Permits on July 1</b>	<b>Retail Stores Taxable Transactions</b>	<b>Total Permits on July 1</b>	<b>Total Outlets Taxable Transactions</b>
2015 <sup>(1)</sup>	863	\$386,869	1,365	\$428,317
2016	863	384,073	1,377	428,621
2017	859	403,930	1,381	456,684
2018	824	435,353	1,384	493,766
2019	790	434,110	1,346	496,298

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: State Department of Tax and Fee Administration.

During the first quarter of calendar year 2020, total taxable transactions in the City were reported to be \$169,838,979, representing a 15.70% decrease over the total taxable transactions of \$201,479,127 that were reported in the City during the first quarter of calendar year 2019.

**CITY OF SAN RAMON  
Taxable Transactions  
(Dollars in Thousands)**

<b>Year</b>	<b>Retail Permits on July 1</b>	<b>Retail Stores Taxable Transactions</b>	<b>Total Permits on July 1</b>	<b>Total Outlets Taxable Transactions</b>
2015 <sup>(1)</sup>	889	\$558,657	1,604	\$834,099
2016	883	563,248	1,615	821,447
2017	906	562,228	1,641	795,295
2018	929	597,463	1,778	851,101
2019	970	628,740	1,881	929,354

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: State Department of Tax and Fee Administration.

During the first quarter of calendar year 2020, total taxable transactions in the County were reported to be \$3,756,657,835, representing a 4.60% decrease over the total taxable transactions of \$3,937,785,678 that were reported in the County during the first quarter of calendar year 2019.

**COUNTY OF CONTRA COSTA  
Taxable Transactions  
(Dollars in Thousands)**

<b>Year</b>	<b>Retail Permits on July 1</b>	<b>Retail Stores Taxable Transactions</b>	<b>Total Permits on July 1</b>	<b>Total Outlets Taxable Transactions</b>
2015 <sup>(1)</sup>	8,980	\$11,420,248	23,996	\$15,670,053
2016	14,920	11,746,808	24,064	15,924,592
2017	14,945	12,302,863	24,114	16,558,840
2018	15,095	13,163,891	25,317	17,607,890
2019	15,337	13,301,946	26,201	18,048,985

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: State Department of Tax and Fee Administration.

**Construction Activity**

Construction activity in the Town, the City and the County for the past five years for which data is available are shown in the following tables.

**TOWN OF DANVILLE  
Building Permit Valuation  
For Calendar Years 2015 through 2019  
(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Permit Valuation</u>					
New Single-family	\$47,352.0	\$30,959.8	\$18,021.9	\$18,718.8	\$27,235.5
New Multi-family	834.9	0.0	0.0	0.0	31,729.7
Res. Alterations/Additions	<u>27,009.6</u>	<u>14,283.4</u>	<u>40,530.3</u>	<u>39,484.4</u>	<u>36,469.5</u>
Total Residential	75,196.5	45,243.2	58,552.2	58,203.2	95,434.7
New Commercial	1,431.7	1,348.4	4,159.0	3,330.6	1,439.9
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	3,928.0	17,763.1	2,346.0	3,298.3	5,827.2
Com Alterations/Additions	<u>9,753.2</u>	<u>5,730.5</u>	<u>7,433.2</u>	<u>7,348.5</u>	<u>11,780.2</u>
Total Nonresidential	15,112.9	24,842.0	13,938.2	13,977.4	19,047.3
<u>New Dwelling Units</u>					
Single Family	56	39	25	25	42
Multiple Family	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>144</u>
TOTAL	60	39	25	25	186

Source: Construction Industry Research Board, Building Permit Summary.

**CITY OF SAN RAMON**  
**Building Permit Valuation**  
**For Calendar Years 2015 through 2019**  
**(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Permit Valuation</u>					
New Single-family	\$600.0	\$0.0	\$0.0	\$68,425.5	\$35,588.5
New Multi-family	12,978.5	7,157.5	0.0	0.0	3,267.2
Res. Alterations/Additions	<u>11,073.6</u>	<u>13,311.7</u>	<u>16,744.6</u>	<u>14,728.0</u>	<u>10,989.0</u>
Total Residential	24,652.1	20,469.2	16,744.6	83,153.5	49,844.7
New Commercial	30,927.2	14,989.6	3,801.8	5,756.3	10,989.9
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	2,683.7	7,332.4	19,668.3	8,980.1	5,529.8
Com Alterations/Additions	<u>45,058.2</u>	<u>61,937.3</u>	<u>112,779.4</u>	<u>43,397.7</u>	<u>43,427.7</u>
Total Nonresidential	78,669.1	84,259.3	136,249.5	58,134.1	59,947.4
<u>New Dwelling Units</u>					
Single Family	1	0	0	163	78
Multiple Family	<u>64</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>20</u>
TOTAL	65	28	0	163	98

Source: Construction Industry Research Board, Building Permit Summary.

**COUNTY OF CONTRA COSTA**  
**Building Permit Valuation**  
**For Calendar Years 2015 through 2019**  
**(Dollars in Thousands)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Permit Valuation</u>					
New Single-family	\$629,638.5	\$605,151.6	\$541,940.5	\$576,116.0	\$502,567.7
New Multi-family	123,088.7	155,051.9	55,154.8	159,941.5	213,697.8
Res. Alterations/Additions	<u>301,221.7</u>	<u>312,967.0</u>	<u>354,340.6</u>	<u>337,089.0</u>	<u>300,066.4</u>
Total Residential	1,053,948.9	1,073,170.50	951,435.9	1,082,666.5	1,016,332.0
New Commercial	122,256.4	144,878.8	133,930.0	200,592.4	148,405.7
New Industrial	15,020.0	11,624.9	3,552.0	52,919.3	2,974.5
New Other	170,219.6	309,861.1	108,530.0	189,246.6	81,032.5
Com Alterations/Additions	<u>219,320.4</u>	<u>333,717.2</u>	<u>361,757.0</u>	<u>287,139.5</u>	<u>240,543.0</u>
Total Nonresidential	526,816.4	800,082.0	607,769.0	729,897.8	472,955.7
<u>New Dwelling Units</u>					
Single Family	1,909	1,853	1,732	1,647	1,573
Multiple Family	<u>629</u>	<u>1,043</u>	<u>272</u>	<u>1,161</u>	<u>1,229</u>
TOTAL	2,538	2,896	2,004	2,808	2,802

Source: Construction Industry Research Board, Building Permit Summary.

## Transportation

The County provides alternative commute options for those without cars or who choose to commute in an environmentally friendly manner. The Bay Area Rapid Transit BART train network stops in many cities in the County, and the County Connection bus service serves areas not immediately adjacent to BART stations. Recently, the BART system was extended into the northeastern portion of the County through the construction of approximately 10 miles of new track between the existing Pittsburg/Bay Point BART Station and the new Antioch BART station. Construction of the extension began in early 2011 and service to the station began in May 2018.

In the summer of 2016, the Highway 4 expansion project was completed, providing additional traffic improvement to a major east-west highway artery in the County. The project included expanding Highway 4 from four to eight lanes, and incorporates the BART extension project described above.

In addition, the local transportation demand management organization 511 Contra Costa offers services to County residents who wish to switch from single occupancy vehicle driving to greener modes.

The County also has two airports that are not currently providing passenger service: (1) Buchanan Field Airport, located in Concord and (2) Byron Airport, located two miles south of Byron.

**APPENDIX B**  
**AUDITED FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**APPENDIX C**  
**SUMMARY OF PRINCIPAL LEGAL DOCUMENTS**

[TO COME]

**APPENDIX D**

**FORM OF PROPOSED OPINION OF SPECIAL COUNSEL**

[TO COME]



## APPENDIX E

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ \_\_\_\_\_  
**2020 Certificates of Participation  
(Fire Protection Facilities Projects)  
Evidencing Direct, Undivided Fractional Interests of the  
Owners Thereof in Lease Payments to be Made by the  
SAN RAMON VALLEY FIRE PROTECTION DISTRICT  
As the Rental for Certain Property Pursuant to a Lease  
Agreement with the SRVFPD Financing Corporation**

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the San Ramon Valley Fire Protection District (the "District") in connection with the execution and delivery of \$ \_\_\_\_\_ 2020 Certificates of Participation (Fire Protection Facilities Projects) (the "Certificates"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of October 1, 2020, among U.S. Bank National Association, as trustee (the "Trustee"), the District and the SRVFPD Financing Corporation (the "Trust Agreement"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

"*Annual Report*" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date not later than six months (currently December 31) after the end of each fiscal year of the District (currently June 30<sup>th</sup>).

"*Dissemination Agent*" shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"*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.

"*Official Statement*" means the final official statement executed by the District in connection with the delivery of the Certificates.

“*Participating Underwriter*” shall mean Oppenheimer & Co. Inc., the original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

“*Repository*” shall mean each National Repository and each State Repository.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing December 31, 2020 with the report for the 2019-20 fiscal year, 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 District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District 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 District 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 District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District 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 District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District 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, with a copy to the Trustee and Participating Underwriter.

(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 District, file a report with the District, with a copy to the Trustee and the Participating Underwriter, 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 District’s Annual Report shall contain or incorporate by reference the following:

(a) 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 District's audited financial statements are not available by the time the Annual Report is required to be filed under Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

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

- (i) general fund budget in substantially the form in the Official Statement;
- (ii) general fund balance sheets in substantially the form in the Official Statement;
- (iii) general fund summary of revenues and expenditures in substantially the form in the Official Statement;
- (iv) tax revenues by source in substantially the form in the Official Statement;
- (v) assessed valuation of property in the District in substantially the form in the Official Statement;
- (vi) summary of investments, including types and amounts of investments and risk categories; and
- (vii) a description of the District 's long-term general fund debt obligations.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further 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.

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 District or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Certificates:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) 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-exempt status of the security.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (13) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the 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.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) 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 Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District 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 it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District 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 authority has assumed jurisdiction over substantially all of the assets or business of the District, 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 authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

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

Section 8. Dissemination Agent. The District 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. The initial Dissemination Agent shall be the District. Any Dissemination Agent may resign by providing 30 days’ written notice to the District and the Trustee.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District 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 Certificates, 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 Certificates, 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 Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement 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 Certificates.

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 District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District 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 Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District 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 Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District 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 Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District 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 will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Certificate holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

(b) The Dissemination Agent shall be paid compensation by the District 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. Notices. Copies of any Annual Reports and notices of Listed Events made by the District or the Dissemination hereunder shall be provided to the Participating Underwriter at the address below:

Participating Underwriter: Oppenheimer & Co. Inc.  
580 California Street, Suite 2300

San Francisco, CA 94104

Attention: Municipal Capital Markets Group

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Dated: October \_\_, 2020

SAN RAMON VALLEY FIRE PROTECTION  
DISTRICT

By \_\_\_\_\_

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: SAN RAMON VALLEY FIRE PROTECTION DISTRICT

Name of Issue: \$\_\_\_\_\_ 2020 Certificates of Participation (Fire Protection Facilities Projects) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be made by the San Ramon Valley Fire Protection District as the Rental for Certain Property Pursuant to a Lease Agreement with the SRVFPD Financing Corporation

Date of Issuance: October \_\_, 2020

NOTICE IS HEREBY GIVEN NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Certificates as required by Section 10.06 of the Trust Agreement, dated as of October 1, 2020, by and among U.S. Bank National Association, as trustee, the District and the SRVFPD Financing Corporation and the Continuing Disclosure Certificate, dated October \_\_, 2020, given by the District. The District anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

SAN RAMON VALLEY FIRE PROTECTION DISTRICT

By \_\_\_\_\_  
Title: \_\_\_\_\_

cc: Trustee



## APPENDIX F

### BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Certificates to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Certificates and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

*Neither the District nor the Trustee take any responsibility for the information contained in this Section.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Certificates, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Certificates, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, 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. 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 securities (in this Appendix, the “Bonds”). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity 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). *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds 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 such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or 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, Trustee, or District, 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 District or 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 securities depository with respect to the Bonds at any time by giving reasonable notice to District or Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

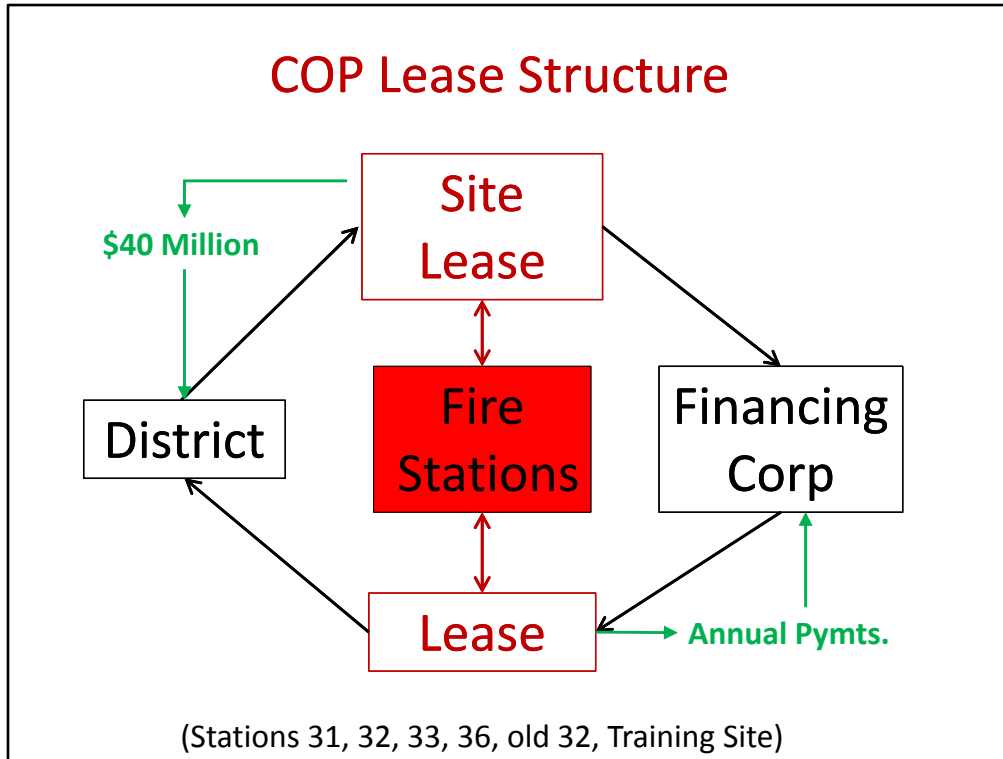
10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.



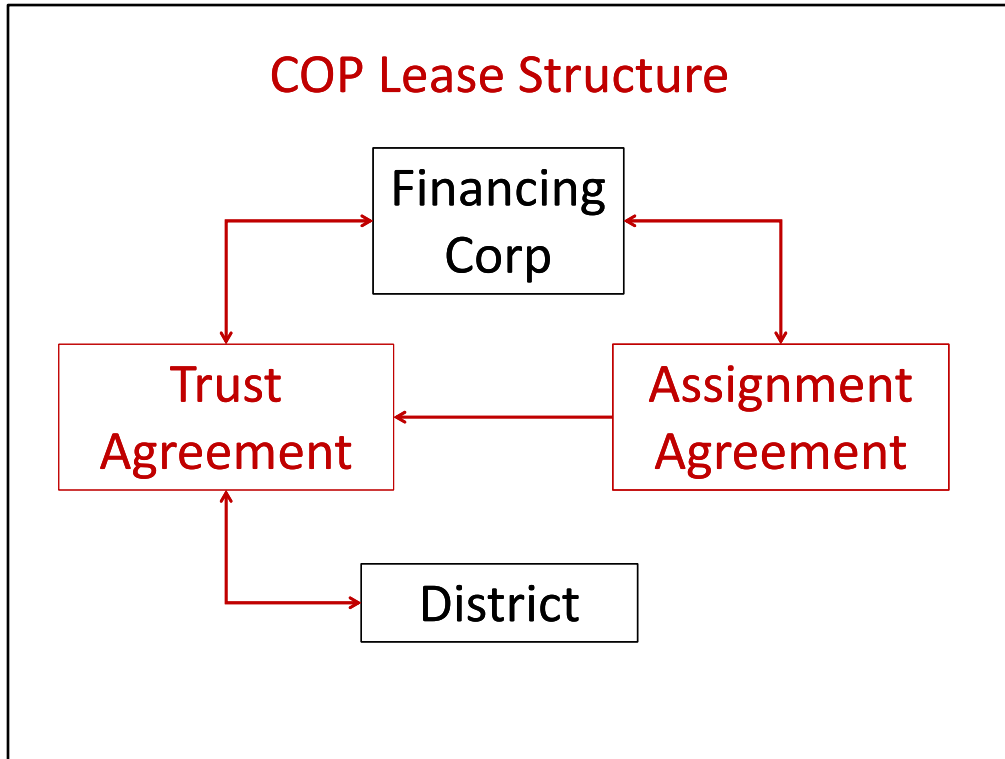
# San Ramon Valley Fire Protection District

August 26, 2020 Board Meeting  
Approval of 2020 COP Financing



**Site Lease:** District leases property to Financing Corp in exchange for the bond proceeds deposited with Trustee

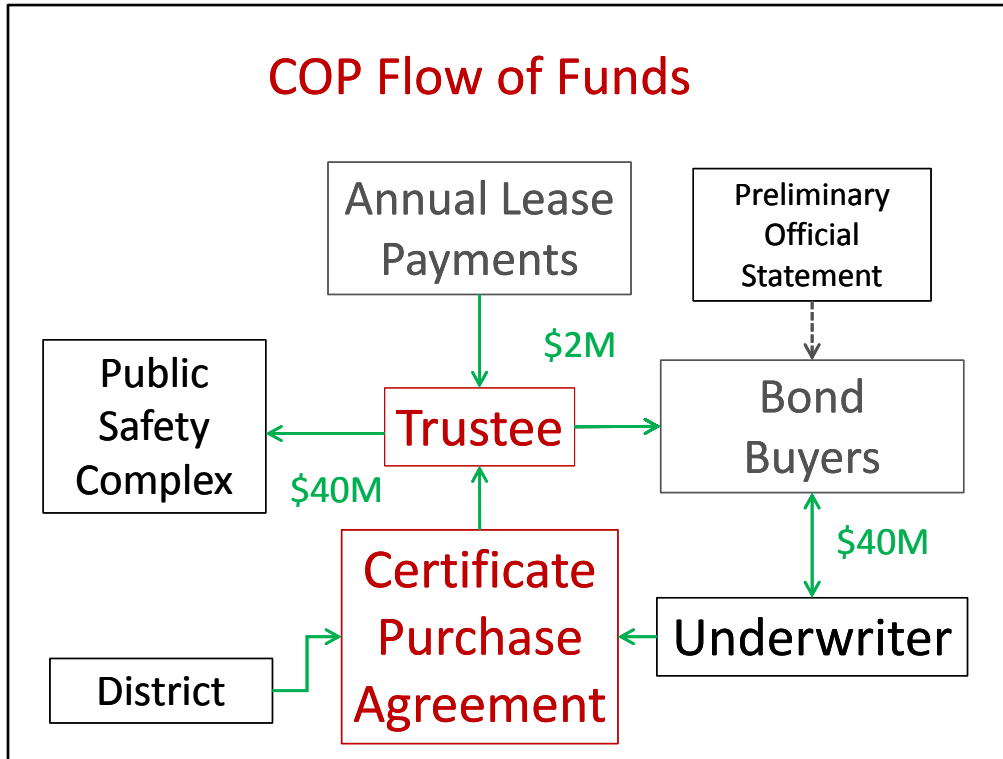
**Lease:** Financing Corp leases property back to District in exchange for annual (debt) payments



**Trust Agreement:** Appoints US Bank as Trustee

**Assignment Agreement:** Financing Corp assigns its rights to receive Lease Payments to Trustee

**Trustee:** Bond proceeds, annual lease payments from District and annual debt payments to bondholders go through the Trustee



**Underwriter:** Facilitates the competitive sale of sale of the bonds (COPs) and delivers proceeds to the Trustee

**Trustee:** Releases proceeds to District to cover certified progress payments; receives semi-annual debt payments from the District and remits payments to registered bondholders

**District:** Responsible for certifying progress payments and remitting semi-annual debt payments to the Trustee

## 2020 Financing Transaction:

### ☐ COP Issue

- \$35 million PAR amount; 30-year term
- All-in True Interest Cost ("TIC") under 3%
- Bonds expected sell at a premium of \$5 million
- Lock in low rates for term (under 3%)

### ☐ Moody's Rating

- Prior bond issues – Aa2 investment grade rating
- 2020 COP should carry same rating
- Aa2 rating plus favorable market conditions means **no debt service reserve/surety requirement**





## Recommendation:

**As the Board of the Financing Corporation**

- Adopt the resolution approving the 2020 COP transaction and authorize execution of the Financing Corporation related documents

**As the Board of the District**

- Adopt the resolution approving the 2020 COP transaction and authorize execution of the related District documents

