

AGENDA  
ANNUAL BOARD OF DIRECTORS MEETING  
**OCWD PUBLIC FACILITIES CORPORATION**  
18700 Ward Street, Fountain Valley (714) 378-3200  
Wednesday, March 20, 2024, 5:20 p.m.

Computer Audio: Please click the link below to join the Zoom webinar:  
<https://ocwd.zoom.us/j/87881361298>

Telephone Audio: (213) 338 8477

Meeting ID: 878 8136 1298

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Teleconference Site: 2630 East Vista Point Drive, Orange * Members of the public may attend and participate at all locations.
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### **VISITOR PARTICIPATION**

Time has been reserved at this point in the agenda for persons wishing to comment for up to three minutes to the Board of Directors on any item that is not listed on the agenda, but within the subject matter jurisdiction of the District. By law, the Board of Directors is prohibited from taking action on such public comments. As appropriate, matters raised in these public comments will be referred to District staff or placed on the agenda of an upcoming Board meeting.

At this time, members of the public may also offer public comment for up to three minutes on any item on the Consent Calendar. While members of the public may not remove an item from the Consent Calendar for separate discussion, a Director may do so at the request of a member of the public.

### **MATTERS FOR CONSIDERATION**

1. MINUTES OF PUBLIC FACILITIES CORPORATION BOARD MEETING HELD FEBRUARY 7, 2024

RECOMMENDATION: Approve minutes as presented

2. EXTENSION OF THE LETTER OF CREDIT FOR THE DISTRICT'S 2003A DEBT

RECOMMENDATION: Adopt Resolutions authorizing execution and delivery of the Amended and Restated Fee Letter, and the First Amendment to Reimbursement Agreement to extend the current letter of credit and reimbursement agreement for the 2003A variable rate debt

### **ADJOURNMENT**

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Orange County Water District, 18700 Ward Street, Fountain Valley, CA not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the District Secretary. Backup material for the Agenda is available at the District offices for public review and can be viewed online at the District's website: [www.ocwd.com](http://www.ocwd.com).

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the District Secretary at (714) 378-3234, by email at [cfuller@ocwd.com](mailto:cfuller@ocwd.com) by fax at (714) 378-3373. Notification 24 hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

As a general rule, agenda reports or other written documentation has been prepared or organized with respect to each item of business listed on the agenda and can be reviewed at [www.ocwd.com](http://www.ocwd.com). Copies of these materials and other disclosable public records distributed to all or a majority of the members of the Board of Directors in connection with an open session agenda item are also on file with and available for inspection at the Office of the District Secretary, 18700 Ward Street, Fountain Valley, California, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Orange County Water District office



BOARD OF DIRECTORS, OCWD PUBLIC FACILITIES CORPORATION  
February 7, 2024, 5:20 p.m.

The OCWD Public Facilities Corporation Annual Board of Directors meeting was called to order in Conference Room C-2 at the Orange County Water District at 5:20 pm on February 7, 2024.

PFC Directors/Officers

Cathy Green, President  
Denis Bilodeau, Vice President  
Van Tran, Secretary  
Randy Fick, Chief Financial Officer  
Jeremy Jungreis, General Counsel

OCWD Staff

John C. Kennedy, General Manager  
Leticia Villarreal, Assistant District Secretary

1. Minutes of Public Facilities Corporation Board Meeting

MOTION NO. PFC-121  
APPROVING MINUTES OF BOARD OF DIRECTORS MEETING

Upon motion by Director Bilodeau, seconded by Director Tran and carried [3-0], the Minutes of the OCWD Public Facilities Corporation Board of Directors meeting held January 4, 2023 are hereby approved as presented.

Ayes: Green, Bilodeau, Tran

2. Elect Officers of the Public Facilities Corporation

The Board took the following action electing officers in accordance with the PFC Bylaws that provide for the PFC Board to consist of the persons serving as the President, First Vice President, Second Vice President of the Board of Directors and reappointing the Chief Financial Officer and General Counsel of the Orange County Water District.

MOTION NO. PFC-122  
RE-ELECTING PUBLIC FACILITIES CORPORATION OFFICERS

Upon motion by Director Bilodeau, seconded by Director Tran and carried [3-0], the following officers are hereby elected to the OCWD Public Facilities Corporation:

Ayes: Green, Bilodeau, Tran

- Cathy Green - President
- Denis Bilodeau - Vice President
- Van Tran - Secretary
- Randy Fick - Chief Financial Officer
- Jeremy Jungreis - General Counsel

ADJOURNMENT

There being no further business to come before the PFC Board, the meeting was adjourned at 5:25 p.m.

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Leticia Villarreal, OCWD Assistant District Secretary



## AGENDA ITEM SUBMITTAL

**Meeting Date:** March 20, 2024

**To:** OCWD Public Facilities Corporation  
Board of Directors

**From:** John Kennedy

**Staff Contact:** R. Fick

**Budgeted:** N/A

**Budgeted Amount:** N/A

**Cost Estimate:** N/A

**Funding Source:** N/A

**Program/Line Item No.:** N/A

**General Counsel Approval:** N/A

**Engineers/Feasibility Report:** NA

**CEQA Compliance:** N/A

**Subject: EXTENSION OF THE LETTER OF CREDIT FOR THE DISTRICT'S  
2003A DEBT**

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### SUMMARY

On March 14, 2024, staff presented to the Administration/Finance Issues Committee the need to extend the Letter of Credit with Bank of America for the 2003A variable rate debt. The documents have been prepared and will be presented at the PFC meeting.

#### Attachment(s):

- Resolution – OCWD Public Facilities Corporation
- Bank of America Amended and restated Fee Letter
- Bank of America First Amendment to Reimbursement Agreement

### RECOMMENDATION

Adopt Resolutions authorizing execution and delivery of the Amended and Restated Fee Letter, and the First Amendment to Reimbursement Agreement to extend the current letter of credit and reimbursement agreement for the 2003A variable rate debt.

### BACKGROUND/ANALYSIS

The District currently has a Letter of Credit (LOC) with Bank of America to provide credit and liquidity support for the District's 2003A variable rate debt of \$129,815,000. The LOC was entered into with Bank of America on May 17, 2021, and expires by its terms on May 16, 2024. Bank of America has made an offer to extend the current LOC at 34 basis points for two years from the new LOC amendment date at a rate of 29 basis points with legal fees for its counsel capped at \$8,500.

The District is required to obtain a letter of credit to support its 2003A variable rate debt because the debt can be tendered at any time by investors. When tendered bonds are remarketed, proceeds from new investors are used to pay the tendering investors. With a liquidity facility, if the notes are not remarketed, the Trustee draws on the direct pay letter of credit to pay bondholders. In the case of a Letter of Credit, the bank makes direct payments to the Trustee for the tender price and is subsequently reimbursed by the District.

A draft of the documents has been prepared for Board review and approval and a summary of these documents to execute this transaction is provided below:

- Fee Letter. Established terms and conditions between the District and Bank of America, N.A. for the extension of the letter of credit and terms and conditions for changes to fees and termination.
- Reimbursement Agreement. Establishes terms and conditions between the District and Bank of America, N.A. for the extension and maintenance of the Bank of America, N.A. letter of credit.

Moving forward:

- Finalize and execute necessary legal and financing documents, including updated Fee Letter Agreement, First Amendment to Reimbursement Agreement documents in accordance with the Resolutions for the District and Financing Corporation.
- Trustee to notify the bondholders on April 16, 2024, of the LOC extension.

## **PRIOR BOARD ACTION**

3/17/21 21-3-54 – Authorize Preparation and Execution of Documents Necessary to Replace Citibank with Morgan Stanley as the Remarketing Agent for the District’s Adjustable-Rate Revenue Certificates of Participation, Series 2003A, consistent with the term sheet provided by Morgan Stanley, and authorize payment for the costs not to exceed \$24,628.

05/18/11 R11-5-78 – Authorize an Alternate Liquidity Facility and approve the execution and delivery of Certain Documents to replace the Lloyds SCPA with a Letter of Credit issued pursuant to a Letter of Credit Reimbursement Agreement (the “LCRA”) by and among the District, the OCWD Public Facilities Corporation and Citibank, N.A. on or before the scheduled termination date of the Lloyds SCPA of June 9, 2011

4/20/11 R11-4-60 – Approve and authorize the Preparation and Execution of Documents Necessary to Secure a Letter of Credit and Reimbursement Agreement with Citibank, N.A. for the 2003a Variable Rate Debt, for a Term of 3 Years Consistent with the Term Sheet Provided By Citibank, And Authorize Payment For The Costs Of Issuance Not To Exceed \$163,500

04/19/06 R06-4-41: Authorize execution and delivery of an Amendment to a Standby Certificate Purchase Agreement relating to the Adjustable-Rate Revenue Certificates of Participation, Series 2003A with Lloyds TSB Bank PLC

04/23/03 R03-4-58: Certificates of Participation to \$150,000,000, and authorize the financing and refinancing of the acquisition of certain facilities, the refinancing of such commercial paper notes, the financing of the acquisition of real property and to approve forms of the Preliminary Official Statement, the Standby Certificate Purchase Agreement and certain required documents

**RESOLUTION NO. C-\_\_-\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
OCWD PUBLIC FACILITIES CORPORATION APPROVING  
AN AMENDMENT TO AN EXISTING REIMBURSEMENT  
AGREEMENT, THE EXTENSION OF THE STATED  
EXPIRATION DATE OF AN EXISTING LETTER OF CREDIT,  
THE EXECUTION AND DELIVERY OF CERTAIN  
DOCUMENTS IN CONNECTION THEREWITH AND  
CERTAIN OTHER MATTERS**

WHEREAS, the OCWD Public Facilities Corporation is a nonprofit public benefit corporation organized and existing under the laws of the State of California (the “Corporation”) with the authority to assist in the financing of certain facilities on behalf of the Orange County Water District (the “District”); and

WHEREAS, the Board of Directors of the Corporation (the “Board”) has previously assisted the District with respect to the execution and delivery of certificates of participation (the “2003A Certificates”) to finance certain facilities of the District, and has previously authorized the execution of certain agreements in connection therewith; and

WHEREAS, the District and the Corporation previously entered into a Reimbursement Agreement, dated May 1, 2021 (the “Reimbursement Agreement”), with Bank of America, N.A. (the “Bank”), pursuant to which the Bank delivered a letter of credit (the “Existing Letter of Credit”) to provide support for the payment of principal and interest evidenced by the 2003A Certificates; and

WHEREAS, the District has determined that it is in the best interest of the District to authorize an extension of the Existing Letter of Credit;

NOW, THEREFORE, the Board does hereby resolve as follows:

SECTION 1. First Amendment to Reimbursement Agreement and Amended and Restated Fee Letter. The First Amendment to Reimbursement Agreement (the “First Amendment to Reimbursement Agreement”), and a related Amended and Restated Fee Letter (the “Amended and Restated Fee Letter”), in substantially the forms attached hereto as Exhibit A and, upon execution as authorized below, made a part hereof as though set forth in full herein, is hereby approved. The President, Vice President, Secretary or the designee thereof is hereby authorized and directed to execute and deliver the First Amendment to Reimbursement Agreement and the Amended and Restated Fee Letter with such changes, insertions and omissions as may be approved by the officers executing the same, said execution being conclusive evidence of such approval.

SECTION 2. Good Faith Estimates. The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit B attached to this Resolution and are available to the public at the meeting at which this Resolution is approved.

SECTION 3. Other Actions. The President, Vice President, Chief Financial Officer, Secretary, Assistant Secretary and such other officers of the Corporation are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which

such officers may deem necessary or advisable in order to carry out the extension of the Existing Letter of Credit and the transactions contemplated by the First Amendment to Reimbursement Agreement and the Amended and Restated Fee Letter and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified, confirmed and approved.

SECTION 4. Effect. This Resolution shall take effect immediately.

I DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. C-\_\_\_\_ - \_\_\_\_ adopted by the Board of Directors of the OCWD Public Facilities Corporation on March 20, 2024.

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Corporation Secretary

EXHIBIT A

FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT  
AND AMENDED AND RESTATED FEE LETTER

## EXHIBIT B

### GOOD FAITH ESTIMATES

Set forth below are good faith estimates of Fieldman, Rolapp & Associates, Inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the "Code"), related to the Amended and Restated Reimbursement Agreement:

- (a) The true interest cost relating to the Amended and Restated Reimbursement Agreement is estimated at 3.33%, calculated as provided in Section 5852.1(a)(1)(A) of the Code and assuming the District's swap rate.
- (b) The finance charge relating to the Amended and Restated Reimbursement Agreement, including all fees and charges paid to third parties, is estimated at \$38,000.
- (c) Proceeds expected to be received by the District as a result of the execution and delivery of the Amended and Restated Reimbursement Agreement, less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds received as a result of the execution and delivery of the Amended and Restated Reimbursement Agreement (if any), is equal to \$0 since the Amended and Restated Reimbursement Agreement represents only an extension of the letter of credit and there are no proceeds in connection with this documentation.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$188,100,508 through the final maturity of the 2003A Certificates assuming the same letter of credit fee.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above. It is the purpose of this Exhibit B to disclose the required information, which has been obtained in accordance with law.

**AMENDED AND RESTATED FEE LETTER  
DATED MARCH 26, 2024**

Reference is hereby made to (i) that certain Reimbursement Agreement dated as of May 1, 2021 (as amended, restated, supplemented or otherwise modified, the “*Agreement*”), by and among ORANGE COUNTY WATER DISTRICT (the “*District*”), OCWD PUBLIC FACILITIES CORPORATION (the “*Corporation*”) and BANK OF AMERICA, N.A. (together with its successors and assigns, the “*Bank*”), relating to the District’s Adjustable Rate Revenue Certificates of Participation Series 2003A (the “*Certificates*”), (ii) that certain Irrevocable Transferable Letter of Credit dated May 17, 2021 (as amended, restated, supplemented or otherwise modified, the “*Letter of Credit*”), issued pursuant to the Agreement, supporting the Certificates and (iii) that certain Fee Letter dated May 17, 2021 (the “*Existing Fee Letter*”), among the District, the Corporation and the Bank.

The District and the Corporation have requested that the Bank make certain modifications to the Existing Fee Letter, and, for the sake of clarity and convenience, the Bank, the District and the Corporation wish to amend and restate the Existing Fee Letter in its entirety and this Amended and Restated Fee Letter (this “*Fee Letter*”) shall amend and restate the Existing Fee Letter in its entirety. The purpose of this Fee Letter is to confirm the agreement among the Bank, the District and the Corporation with respect to the Letter of Credit Fee (as defined below) and certain other fees and expenses payable by the District to the Bank pursuant to the Agreement. This Fee Letter is the Fee Letter referenced in the Agreement. This Fee Letter and the Agreement are to be construed as one agreement by and among the District, the Corporation and the Bank, and all obligations hereunder are to be construed as obligations thereunder payable solely from the sources set forth in the Agreement. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Letter.

ARTICLE I. DEFINITIONS.

As used in this Fee Letter:

- (a) “*Letter of Credit Fee*” has the meaning set forth in Section 2.1 hereof.
- (b) “*Letter of Credit Fee Rate*” has the meaning set forth in Section 2.1 hereof.
- (c) “*Quarterly Payment Date*” has the meaning set forth in Section 2.1 hereof.

Any capitalized terms used herein that are not specifically defined herein shall have the same meanings herein as in the Agreement.

ARTICLE II. FEES.

*Section 2.1. Letter of Credit Fee.* The District agrees to pay or cause to be paid to the Bank April 1, 2024, for the period commencing on January 1, 2024 and ending on March 31, 2024, and quarterly in arrears on the first Business Day of each July, October, January and April (each such date referred to herein as a “*Quarterly Payment Date*”) occurring thereafter to the

Termination Date, and on the Termination Date, a non-refundable Letter of Credit Fee (the “*Letter of Credit Fee*”) in an amount equal to the product of (x) the applicable rate per annum for each day associated with the applicable Rating (as defined below) and corresponding Level specified in the pricing matrices below for each such day during each related fee period (the “*Letter of Credit Fee Rate*”) and (y) the Stated Amount of the Letter of Credit (without regard to any temporary reductions thereof) for each such day during each related fee period as follows:

(i) For the period commencing on January 1, 2024, to but not including March 26, 2024, the Letter of Credit Fee Rate shall be determined as follows:

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	FACILITY FEE RATE
1	Aa1 or above	AA+ or above	AA+ or above	0.34%
2	Aa2	AA	AA	0.49%
3	Aa3	AA-	AA-	0.64%
4	A1	A+	A+	0.79%
5	A2	A	A	0.94%
6	A3	A-	A-	1.09%
7	Baa1	BBB+	BBB+	1.24%

(ii) For the period commencing on March 26, 2024, and at all times thereafter, the Letter of Credit Fee Rate shall be determined as follows:

LEVEL	MOODY’S RATING	S&P RATING	FITCH RATING	FACILITY FEE RATE
1	Aa1 or above	AA+ or above	AA+ or above	0.29%
2	Aa2	AA	AA	0.44%
3	Aa3	AA-	AA-	0.59%
4	A1	A+	A+	0.74%
5	A2	A	A	0.89%
6	A3	A-	A-	1.04%
7	Baa1	BBB+	BBB+	1.19%

The following paragraph applies to each pricing grid set forth above. The term “*Rating*” as used above shall mean the Obligor Rating assigned by any of Moody’s, S&P or Fitch (without regard to any form of credit enhancement). For the avoidance of doubt, in the event of split Ratings (i.e., one or more of the Rating Agency’s Ratings is at a different level than any other Rating by either of the other Rating Agencies), the Letter of Credit Fee Rate shall be based upon the Level in which the lowest such Rating appears (for the avoidance of doubt, Level 7 is the lowest Level and Level 1 is the highest Level for purposes of the above pricing grids). Any change in the Letter of Credit Fee Rate resulting from a change in the Rating or any of the other events described in this paragraph shall be and become effective as of and on the date of the announcement of the change in the Rating or the occurrence of any such other event. References to Ratings above are references to rating categories as presently determined by the Rating Agencies, and in the event of

adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the Ratings in connection with the adoption of a “global” rating scale, each of the Ratings from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The District acknowledges that as of the date hereof the Letter of Credit Fee Rate is that specified above for Level 1 of the pricing grid set forth under paragraph (ii) above. In the event that any relevant rating is suspended, withdrawn or otherwise unavailable from any Rating Agency, and for so long as such relevant rating remains so suspended, withdrawn or otherwise unavailable, or upon the occurrence and during the continuance of any Default or Event of Default, in each such case, the Letter of Credit Fee Rate shall, immediately and automatically and without notice to the District or the Corporation, increase by an additional 1.50% per annum above that set forth in Level 7 of the applicable pricing matrix above. All increases to the Letter of Credit Fees set forth in this Section 2.1 shall be cumulative. The Letter of Credit Fee shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days elapsed.

*Section 2.2. Draw Fees.* The District agrees to pay to the Bank a non-refundable drawing fee equal to \$295 for each Drawing under the Letter of Credit.

*Section 2.3. Transfer Fee.* As a condition precedent to each transfer of the Letter of Credit in accordance with its terms or the appointment of a successor Trustee, the District agrees to pay the Bank a non-refundable fee of \$2,500, and to reimburse the Bank for its actual costs and expenses associated with such transfer or appointment (including, without limitation, the reasonable fees and expenses of counsel to the Bank).

*Section 2.4. Amendment, Waiver Fee and Other Fees and Expenses.* As a condition precedent thereto, the District agrees to pay to the Bank in connection with each amendment, supplement, or modification to the Agreement (or any Related Document, the amendment, supplement or modification of which requires the consent of the Bank), or execution of any standard waiver or consent, a non-refundable fee equal to \$2,500 (the “*Amendment Fee*”), or such other fee as may be agreed to between the District and the Bank, plus, in each case, the reasonable fees and expenses of counsel to the Bank; *provided, however*, that the Amendment Fee for any non-standard waiver or consent shall be in an amount as may be agreed to between the District and the Bank determined at the time such non-standard waiver or consent is requested by the District.

*Section 2.5. Termination; Reduction.* The District may terminate or replace, or cause the termination or replacement of, the Letter of Credit or permanently reduce the Available Amount of the Letter of Credit at any time without penalty, provided that the District shall (i) provide the Bank with ten (10) Business Day prior written notice of its intent to terminate the Agreement and the Letter of Credit or permanently reduce the Available Amount of the Letter of Credit and (ii) pay to the Bank all Obligations hereunder and under the Agreement.

*Section 2.6. Payment Office.* For purposes of the Agreement, “*Payment Office*” means Bank of America N.A., ABA #: 026009593, Account Number: 1365840632100, Reference: Orange County WD, Attn: BL Operations, or such other account as the Bank may designate from time to time.

*Section 2.7. Payment Due Date and Default Rate.* To the extent any fee payable under this Fee Letter is not paid when due, such fee shall accrue interest from the date payment is due until payment in full at a per annum rate of interest equal to the Default Rate to the extent allowed by law.

### ARTICLE III. MISCELLANEOUS.

*Section 3.1. Fees and Expenses.* The District shall pay the reasonable fees of domestic counsel to the Bank incurred in connection with the preparation of the First Amendment to Reimbursement Agreement dated as of the date hereof, among the District, the Corporation and the Bank, this Fee Letter and certain other Related Documents, in an amount not to exceed \$8,500 plus disbursements, directly to such counsel upon receipt of an invoice therefor; *provided* that such fees of counsel may be paid by the District within thirty (30) days following the date hereof.

*Section 3.2. Amendments.* No amendment to this Fee Letter shall become effective without the prior written consent of the District, the Corporation and the Bank.

*Section 3.3. Governing Law.* THIS FEE LETTER AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS FEE LETTER AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK; *PROVIDED* THAT THE OBLIGATIONS OF THE DISTRICT HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA.

*Section 3.4. Counterparts.* This Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument; and any of the parties hereto may execute this Fee Letter by signing such counterpart. This Fee Letter may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

*Section 3.5. Severability.* Any provision of this Fee Letter which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

*Section 3.6. Confidentiality.* This Fee Letter is delivered to the District and the Corporation on the understanding that neither this Fee Letter nor any of its terms shall be disclosed, directly or indirectly, to any other Person except (a) to the District's and the Corporation's officers, directors, employees, accountants, attorneys, agents and advisors who are directly involved in the consideration of this matter on a confidential and need-to-know basis and for whose breach of this confidentiality undertaking the District and the Corporation shall be responsible or (b) under compulsion of law (whether by interrogatory, subpoena, civil investigative demand, open records request or otherwise) or by order of any court or governmental or regulatory body; *provided* that,

to the extent lawful, the District and the Corporation shall give the Bank reasonable prior notice of such disclosure.

*Section 3.7. Amendment and Restatement.* This Fee Letter amends and restates in its entirety the Existing Fee Letter but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Fee Letter or the indebtedness, obligations and liabilities of the District evidenced or provided for thereunder. The parties hereto agree that this Fee Letter does not extinguish or discharge the obligations of the District or the Bank under the Existing Fee Letter. Reference to this specific Fee Letter need not be made in any Related Document or any other agreement, document, instrument, letter, certificate, the Existing Fee Letter itself, or any communication issued or made pursuant to or with respect to the Existing Fee Letter, any reference to the Fee Letter being sufficient to refer to the Existing Fee Letter as amended and restated hereby, and more specifically, any and all references to the Fee Letter in the Agreement shall mean this Fee Letter.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Fee Letter to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

ORANGE COUNTY WATER DISTRICT

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

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

APPROVED AS TO FORM:

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

OCWD PUBLIC FACILITIES CORPORATION

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

Name: \_\_\_\_\_

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

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

Name: \_\_\_\_\_

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

BANK OF AMERICA, N.A.

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

**FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT**

This First Amendment to Reimbursement Agreement (this “*Amendment*”) dated March 26, 2024 (the “*Amendment Date*”), is by and among ORANGE COUNTY WATER DISTRICT (the “*District*”), OCWD PUBLIC FACILITIES CORPORATION (the “*Corporation*”) and BANK OF AMERICA, N.A. (together with its successors and assigns, the “*Bank*”). All capitalized terms used herein and not defined herein shall have the set forth in the hereinafter defined Agreement.

**W I T N E S S E T H**

WHEREAS, the District, the Corporation and the Bank have previously entered into that Reimbursement Agreement dated as of May 1, 2021 (as amended, restated, supplemented or otherwise modified to date, the “*Agreement*”), pursuant to which the Bank issued that certain Irrevocable Transferable Letter of Credit dated May 17, 2021 (as amended, restated, supplemented or otherwise modified to date, the “*Letter of Credit*”), supporting the District’s Adjustable Rate Revenue Certificates of Participation Series 2003A (the “*Certificates*”);

WHEREAS, pursuant to Section 9.01 of the Agreement, the Agreement may be amended by a written amendment thereto, executed by the Bank, the Corporation and the District; and

WHEREAS, the District has requested that that the Bank extend the Stated Expiration Date of the Letter of Credit and make certain amendments to the Agreement, and the Bank has agreed to extend the Stated Expiration Date of the Letter of Credit and make such other amendments to the Agreement subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

**SECTION 1. AMENDMENTS.**

Upon satisfaction of the conditions precedent set forth in Section 2 hereof, the Agreement shall be amended as follows:

1.01. Each reference in the Agreement to “U.S. Bank National Association” is hereby deleted and shall be replaced with “U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association)”.

1.02. The definitions of the following defined terms set forth in Section 1.01 of the Agreement are hereby amended in their entirety and as so amended shall be restated to read as follows:

“*Fee Letter*” means that certain Amended and Restated Fee Letter dated March 26, 2024, among the District, the Corporation and the Bank, as the same may be amended, restated, supplemented

or otherwise modified from time to time in accordance with the terms thereof and hereof.

“*Resolutions*” means the 2003 Resolution, the 2021 Resolution and the 2024 Resolution.

“*Sanction(s)*” means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty’s Treasury (“*HMT*”) or other relevant sanctions authority.

1.03. Section 1.01 of the Agreement is hereby amended by the addition of the following new defined terms to be inserted in their appropriate places in the alphabetical sequence and to read as follows:

“*First Amendment*” means that certain First Amendment to Reimbursement Agreement dated March 26, 2024, among the District, the Corporation and the Bank.

“*2024 Resolution*” means, collectively, (i) the District’s Resolution [Number \_\_\_\_\_] adopted by the governing body of the District on March 20, 2024, and authorizing the execution and delivery by the District of the First Amendment, the Fee Letter and related matters and (ii) the Corporation’s Resolution [No. \_\_\_\_\_] adopted on March 20, 2024, authorizing the execution and delivery of the First Amendment, the Fee Letter and related matters.

1.04. Section 2.07 of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows

*Section 2.07. Termination of Letter of Credit; Substitute Letter of Credit.* Notwithstanding any provisions of this Agreement to the contrary, the District agrees not to terminate this Agreement or the Letter of Credit or permanently reduce the Available Amount, except upon (i) the payment to the Bank of all Obligations payable hereunder and (ii) the District providing the Bank with ten (10) Business Day prior written notice of its intent to terminate this Agreement and the Letter of Credit or permanently reduce the Available Amount; *provided* that all payments to the Bank referred to in clause (i) above shall be made in immediately available funds; *provided further, however*, that any such termination of this Agreement or the Letter of Credit or the permanent reduction of the Available Amount shall be in compliance with the terms and conditions of the Trust Agreement and the Letter of Credit. The District agrees that any termination of the Letter of Credit as a result

of the provision of any Alternate Credit Facility will require, as a condition thereto, that the District or the issuer of any Alternate Credit Facility will provide funds on the date of such termination or provision, which funds will be sufficient to pay in full at the time of termination of such Letter of Credit all Obligations due and owing to the Bank hereunder.

1.05. Section 3.02(a)(iii) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows

(iii) impose on the Bank or the applicable interbank market any other condition, cost or expense affecting this Agreement, the Fee Letter or the Letter of Credit or any participation therein;

1.06. Sections 5.01(v) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

(v) *Sanctions Concerns and Anti-Corruption Laws.*  
(i) *Sanctions Concerns.* Neither the District, nor, to the knowledge of the District, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by one or more individuals or entities that are (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(ii) *Anti-Corruption Laws.* The District has conducted its business in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other applicable anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

1.07. Section 5.02(n) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

(n) *Sanctions Concerns and Anti-Corruption Laws.*  
(i) *Sanctions Concerns.* Neither the Corporation, nor, to the knowledge of the Corporation, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by one or more individuals or entities that are (i) currently the subject or target of any Sanctions,

(ii) included on OFAC's List of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(ii) *Anti-Corruption Laws.* The Corporation has conducted its business in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other applicable anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

1.08. Article VI of the Agreement is hereby amended by adding thereto a new Section 6.24 to appear in the appropriate numerical sequence and to read as follows

*Section 6.24. Anti-Corruption Laws; Sanctions.* Each of the Corporation and the District shall conduct its business in compliance in all material respects with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other applicable anti-corruption legislation in other jurisdictions and with all applicable Sanctions.

1.09. Sections 8.01(b) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows

(ii) Failure of the District to observe or perform the covenants set forth in any of Sections 6.02, 6.03, 6.06, 6.09, 6.11, 6.12, 6.13, 6.14, 6.16, 6.17, 6.19, 6.20, 6.21, 6.22, 6.24, 7.01, 7.02, 7.03, 7.04, 7.06, 7.07, 7.08, 7.09, 7.10, 7.11, 7.12, 7.13, 7.15, 7.16, 7.18, or 7.19;

1.10. Schedule 9.02 of the Agreement is hereby amended in its entirety and as so amended shall be restated as set forth on Exhibit A attached hereto.

## SECTION 2. CONDITIONS PRECEDENT.

This Amendment shall become effective on the Amendment Date subject to the satisfaction of or waiver by the Bank of all of the following conditions precedent (such satisfaction to be evidenced by the Bank's execution and delivery of this Amendment):

2.01. Delivery by the Corporation and the District to the Bank of an executed counterpart of this Amendment.

2.02. Delivery by the Corporation and the District to the Bank of an executed counterpart of the Amended and Restated Fee Letter dated March 26, 2024 (the “*Amended and Restated Fee Letter*”), among the Corporation, the District and the Bank.

2.03. Receipt by the Bank of (i) a copy of the authorizing resolution of the District approving the execution and delivery of this Amendment and the Amended and Restated Fee Letter and performance of its obligations under the Agreement, and (ii) a customary certificate executed by an Authorized District Representative including the incumbency and signature of the officer of the District executing this Amendment and the Amended and Restated Fee Letter.

2.04. Receipt by the Bank of (i) a copy of the authorizing resolution of the Corporation approving the execution and delivery of this Amendment and the Amended and Restated Fee Letter and performance of its obligations under the Agreement, and (ii) a customary certificate executed by an Authorized Corporation Representative including the incumbency and signature of the officer of the Corporation executing this Amendment and the Amended and Restated Fee Letter.

2.05. Delivery to the Bank of a “no adverse effect opinion” of Bond Counsel with respect to the tax-exempt status of the Certificates.

2.06. Payment directly to Chapman and Cutler LLP, legal counsel to the Bank (“*Bank Counsel*”) within thirty (30) days of receipt of an invoice from Bank Counsel, of the reasonable legal fees and expenses of Bank Counsel.

2.07. All other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Bank and its counsel.

### SECTION 3. REPRESENTATIONS AND WARRANTIES OF THE DISTRICT AND THE CORPORATION.

3.01. Each of the District and the Corporation hereby represents and warrants that the following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the District and the Corporation contained in Section 5.01 of the Agreement and in Section 5.02 of the Agreement, respectively, are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same expressly relate to an earlier date, and except that the representations contained in Section 5.01(i) of the Agreement shall be deemed to refer to the most recent financial statements of the District delivered to the Bank pursuant to Section 6.02(a)(i) of the Agreement); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment.

3.02. In addition to the representations given in Article V of the Agreement, each of the District and the Corporation hereby represents and warrants as follows:

(a) The execution, delivery and performance by the District and the Corporation of the Amended and Restated Fee Letter and this Amendment, and the performance of the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the District and the Corporation.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the District or the Corporation of this Amendment and the Amended and Restated Fee Letter or the performance by the District and the Corporation of the Agreement, as amended hereby.

(c) The Amended and Restated Fee Letter, this Amendment and the Agreement, as amended hereby, constitute legal, valid and binding obligations of the District and the Corporation enforceable against the District and the Corporation in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, as the same may be applied in the event of the bankruptcy, reorganization, insolvency, liquidation or similar situation of the District or the Corporation, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

#### SECTION 4. REQUEST FOR EXTENSION OF STATED EXPIRATION DATE.

The District hereby request that the Bank extend the Stated Expiration Date of the Letter of Credit to March 25, 2026 and the Bank hereby agrees to such request and will deliver to the Trustee a copy of the Notice of Extension with respect to the Letter of Credit in the form attached hereto as Exhibit B to effectuate such extension.

#### SECTION 5. MISCELLANEOUS.

Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. THIS AMENDMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK; PROVIDED THAT THE POWER AND AUTHORITY OF THE DISTRICT TO EXECUTE, DELIVER AND PERFORM ITS OBLIGATIONS HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Amendment may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers hereunto duly authorized as of the Amendment Date.

ORANGE COUNTY WATER DISTRICT

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

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

APPROVED AS TO FORM:

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

OCWD PUBLIC FACILITIES CORPORATION

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

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

BANK OF AMERICA, N.A.

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

**EXHIBIT A**

**SCHEDULE 9.02**

Bank:

Bank of America, N.A.  
315 Montgomery Street, 1st Floor  
San Francisco, California 94104  
Telephone: (415) 913-2325  
Facsimile: (213) 984-4051  
Attention: Grace L. Barvin  
Email: grace.barvin@bofa.com

with copy to:

Bank of America, N.A.  
111 N. Wacker Drive  
Chicago, Illinois 60606-1511  
Attention: Tiffany Chiu  
Telephone: (312) 234-4428  
Email: tiffany.chiu2@bofa.com

and, with respect to the Letter of Credit:

Bank of America, N.A.  
1 Fleet Way, PA6-580-02-30  
Scranton, PA 18507  
Attention: Standby Letter of Credit Department  
Telephone: (800) 370-7519 OPT 1  
Facsimile: (800) 755-8743

if to the District, addressed to the District at:

Orange County Water District  
18700 Ward Street  
Fountain Valley, CA 92708  
Attention: General Manager  
Telephone: (714) 378-3304  
Facsimile: (714) 378-3373  
E-Mail: jkennedy@ocwd.com

if to the Corporation, addressed to the Corporation at:

Orange County Water District  
18700 Ward Street  
Fountain Valley, CA 92708  
Attention: Chief Financial Officer  
Telephone: (714) 378-3271  
Facsimile: (714) 378-3373  
E-Mail: rfick@ocwd.com

or if to the Trustee or Tender Agent, addressed to it at:

U.S. Bank National Association  
633 West Fifth Street, 24th Floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust  
Email: nabeel@badawi@usbank.com

or if to the Remarketing Agent, addressed to it at:

Morgan Stanley & Co. LLC  
1999 Avenue of the Stars, Suite 2400  
Los Angeles, CA 90067  
Attention: Dan Kurz  
Telephone: (310) 788-2171  
E-Mail: Daniel.Kurz@morganstanley.com

**EXHIBIT B**

**NOTICE OF EXTENSION**

March 26, 2024

U.S. Bank Trust Company, National Association  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, CA 90071  
Attention: Global Corporate Trust

Ladies and Gentlemen:

Reference is hereby made to that certain Irrevocable Transferable Letter of Credit No. 68175918 dated May 17, 2021 (as amended, the "*Letter of Credit*"), established by us in your favor as Beneficiary. We hereby notify you that, in accordance with the terms of the Letter of Credit, the Stated Expiration Date (as defined in the Letter of Credit) has been extended to March 25, 2026.

Each reference in the Letter of Credit and each Annex thereto to "U.S. Bank National Association" is hereby deleted and shall be replaced with "U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association)".

This letter shall be attached to the Letter of Credit and made a part thereof.

BANK OF AMERICA, N.A.

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