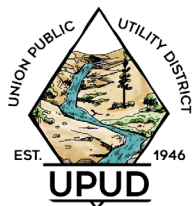




Union Public Utility District

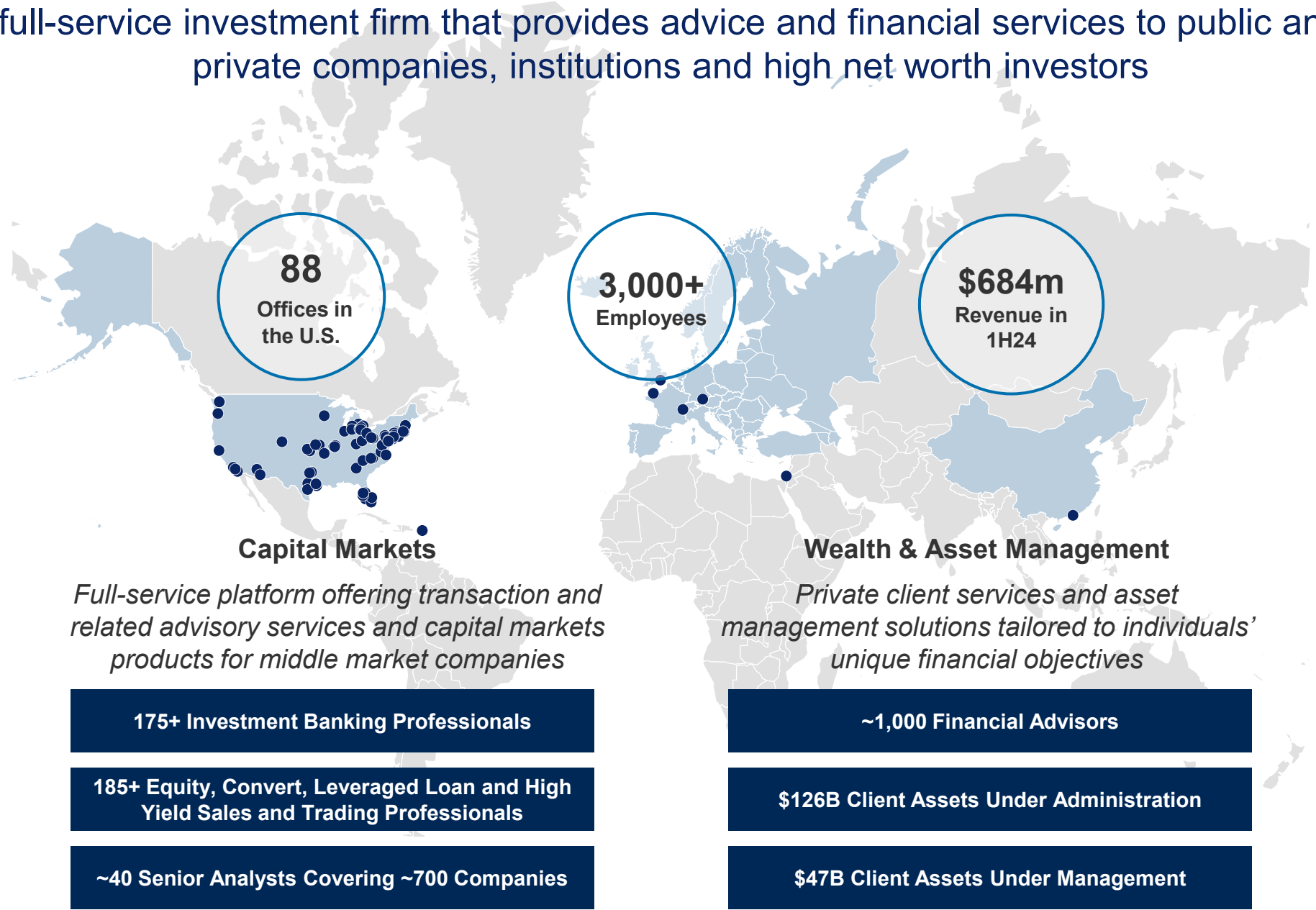
Capital Improvement Financing Overview



August 15, 2024

The Power of  **OPPENHEIMER** Thinking
Wealth Management | Capital Markets | Investment Banking

Oppenheimer (NYSE: OPY) is a publicly listed, middle market investment bank and full-service investment firm that provides advice and financial services to public and private companies, institutions and high net worth investors



Municipal Capital Markets

Oppenheimer's public finance bankers advise and raise capital for state / local governments, public agencies, private developers and other borrowers

National Public Finance Presence



Full Product Capabilities

| | |
|-----------------------------|-----------------------|
| Municipal Restructuring | K-12 Public Financing |
| Higher Education | General Municipal |
| Senior Living | Project Finance |
| Public-Private Partnerships | Utilities |

Highly Active Advisor and Underwriter Over the Past Decade

\$180+ billion total negotiated issuance

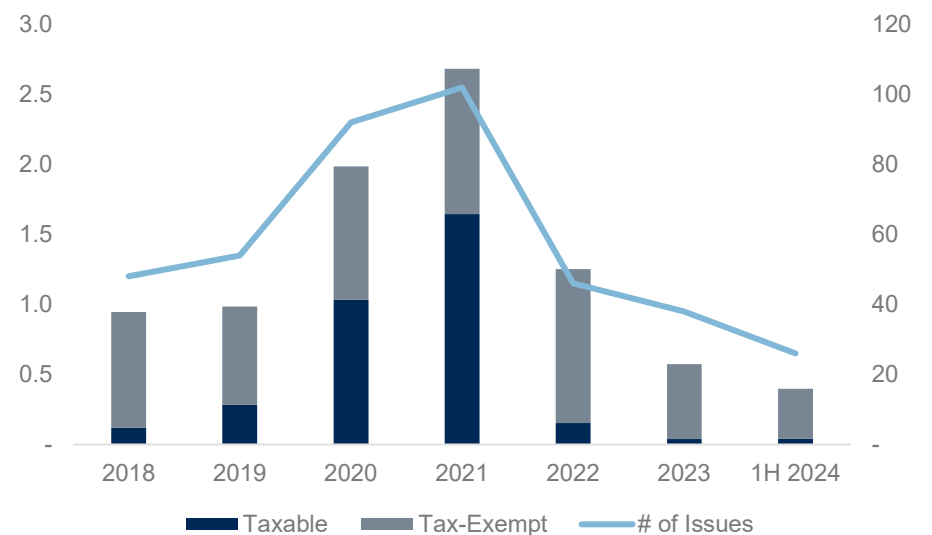
\$12+ billion negotiated issuance as senior manager

#3 underwriter for municipal notes and top 20 underwriter for all municipal issuance types in 2023 by number of issuances

Select Recent Negotiated Transactions

| | | | |
|--|---|---|---|
| <p>\$95,105,000</p> <p>Hudson County Imp Auth Pooled Notes</p> <p>Sole Manager</p> <p>June 2024</p> | <p>\$9,235,000</p> <p>City of Dinuba Tax Allocation Refunding Bonds</p> <p>Sole Manager</p> <p>June 2024</p> | <p>\$194,355,000</p> <p>New Caney ISD School Building Bonds</p> <p>Co-Manager</p> <p>May 2024</p> | <p>\$14,020,000</p> <p>City of Stockton Special Tax Bonds</p> <p>Sole Manager</p> <p>April 2024</p> |
| <p>\$122,485,000</p> <p>St. Clair County 187 School Bonds</p> <p>Sole Manager</p> <p>March 2024</p> | <p>\$36,886,000</p> <p>Hudson County Imp Auth Pooled Notes</p> <p>Sole Manager</p> <p>March 2024</p> | <p>\$15,025,000</p> <p>Haskell ISD School Building Bonds</p> <p>Senior Manager</p> <p>March 2024</p> | <p>\$12,335,000</p> <p>Dawson ISD School Building Bonds</p> <p>Senior Manager</p> <p>February 2024</p> |

Senior Managed Underwriting Volume



California Public Finance Presence

Capabilities

- Our California presence dates back over 40 years
- 5 offices, 139 employees including 44 financial advisors covering over 30,000 accounts
- Underwrote/Placed 173 transactions in California since 2021
- Oppenheimer is a member of the California Society of Municipal Finance Officers
- Oppenheimer has a strong connection to Calaveras County, having served on 7 different transactions throughout the region over the last few years



Local Area Clients

- Amador County
- Calaveras County
- Calaveras County Water District
- Murphys Sanitary District
- Tuolumne County
- Twain Harte Community Services District

Notable 2024 Transactions

| Issuer | County | Financing | Par | Status |
|---|---------------|---------------------------------------|---------------|------------|
| City of Selma | Fresno | Lease Revenue Bonds | \$24,745,000 | Closed |
| City of Stockton, CFD No. 2018-2 | San Joaquin | Special Tax Bonds | \$14,020,000 | Closed |
| Marin Emergency Radio Authority | Marin | Special Parcel Tax Bonds | \$5,800,000 | Closed |
| City of Laguna Beach | Orange | Limited Obligation Bonds | \$8,820,000 | Closed |
| Perris Joint Powers Authority | Riverside | Local Agency Revenue Bonds | \$9,595,000 | Closed |
| City of St. Helena | Napa | Water Revenue Bonds | \$21,500,000 | Closed |
| St. Ignatius College Preparatory School | San Francisco | Revenue Bonds | \$126,940,000 | Closed |
| Town of Windsor | Sonoma | Wastewater Installment Sale Agreement | \$7,500,000 | In Process |

CSDA Finance Corporation (CSDAFC) Overview

- Affiliate organization to the California Special Districts Association (CSDA) since 1988
- Designed to facilitate financings for special districts of all types and sizes
- Provides financing solutions for capital improvements, equipment and land purchases, refinancing of prior debt
- Responsive, full-service team of experts
- Competitive interest rates, low cost transaction fees
- Prompt delivery of funds
- CSDAFC has engaged Oppenheimer & Co. Inc. as a broker-dealer to provide financing options for specific projects within the program

Utility Revenue Experience

Since 2019, we have completed over 70 utility revenue financings for California public agencies, totaling over \$750 million in par amount.

Examples of Special District Utility Revenue Financings:



\$2,857,000

Malaga County Water District

Installment Purchase Agreement
(Water and Wastewater Revenue)

Placement Agent



\$20,508,000

Trabuco Canyon Water District

Installment Purchase Agreement
(Water and Wastewater Revenue)

Placement Agent



\$12,175,000

Cambria Community Services
District

Certificates of Participation
(Wastewater Revenue)

Sole Manager



\$11,650,000

Discovery Bay Community
Services District

Enterprise Refunding Bonds
(Water and Wastewater Revenue)

Placement Agent



\$2,126,700

Forestville Water District

Refinancing Agreement
(Water Revenue)

Placement Agent

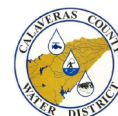


\$14,825,000

Truckee Donner Public Utility
District

Certificates of Participation
(Water Revenue)

Sole Manager



\$19,843,000

Calaveras County Water District

Installment Purchase Contract
(Water Revenue)

Placement Agent



\$10,806,000

Diablo Water District

Installment Sale Agreement
(Water Revenue)

Placement Agent

Net Revenue Pledge

- Net revenue pledge financing (otherwise known as revenue bonds) provides public agencies with the ability to finance capital improvements to their enterprise systems through installment payments.
- Installment payments are established as a net revenue pledge after O&M of the enterprise system.
- Net revenue pledge financing allows public agencies to avoid depleting reserves for large capital projects.
- Type of Structure is based on method of sale:
 - Installment Sale or Loan Agreement - Direct Placement
 - Revenue Bond - Public Offering
- Security:
 - Typically the market will require a debt service coverage covenant (“DSC”) of 1.15 X 1
 - An additional bonds test (“ABT”) of 1.15 X 1
 - 1.25 X 1 DSC and ABT is better for credit rating

Financing Options: Methods of Sale

There are two methods for financings

Public Offering

- Underwriter purchases bonds from the issuer, then sells them to the public market.
- Preliminary Official Statement is produced and distributed to investors describing the terms and risks of the bonds.
- Typically rated by a rating agency.
- Typically results in lower yields than private placement; serialized rates reduce borrowing costs.
- Ongoing continuing disclosure requirements.
- Maximum term of 35 years.
- Economics improve the larger the issue size.



Private Placement

- Placement Agent places the financing directly with an accredited investor via RFP process.
- Rating is not needed, and POS is not produced nor distributed; responsibility of due diligence resides with the purchaser.
- Typically higher yields than public offering; one flat rate.
- Reduced costs of issuance and faster process.
- Limited continuing disclosure requirements.
- Typical maximum term of 20 years.
- Economics improve the smaller the issue size.



Financing Schedule Example

A look at a typical timeline for a public offering and private placement

| Week | Private Placement | Responsible Party | Public Offering | Responsible Party |
|--------------------|--|-------------------|---|-------------------|
| Week One | Kick-off conference call with financing team | ALL | Kick-off conference call with financing team | ALL |
| | Distribute interested parties list and financing schedule | PA | Distribute interested parties list and financing schedule | UW |
| Week Two | RFP distributed to investors | PA | | |
| Week Three | 1st draft of resolution and legal documents distributed | BC | 1st draft of POS and legal documents distributed | BC/DC |
| Week Four | Agenda deadline for Board/Council meeting | Issuer | Comments due on documents and POS | ALL |
| | Select investor, Lock interest rate and finalize numbers | PA /Issuer | | |
| | Comments due on documents | ALL | | |
| Week Five | | | Agenda deadline for Board/Council meeting | Issuer |
| Week Six | Board/Council meeting to approve transaction and related legal documents | Issuer/PA | Rating presentation review and conference call | UW/Issuer |
| Week Seven | Documents finalized and signed | BC/Issuer | Board /Council meeting to approve transaction and related documents | Issuer/UW |
| Week Eight | Close transaction | PA/BC | Receive rating & bond insurance quote | UW/Issuer |
| Week Nine | | | Distribute POS to investors | DC |
| Week Ten | | | Pre-price bonds | UW |
| | | | Price bonds / Finalize numbers | UW |
| Week Twelve | | | Close transaction | UW/BC |

Debt Service Coverage: 10-year Term

| Description | Actual FYE 2020 | Actual FYE 2021 | Actual FYE 2022 | Actual FYE 2023 | Projected (1) FYE 2024 | Projected (1) FYE 2025 | Projected (1) FYE 2026 | Projected (1) FYE 2027 | Projected (1) FYE 2028 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| TOTAL REVENUE | 1,977,924 | 2,278,683 | 2,680,600 | 2,188,055 | 2,628,796 | 2,714,000 | 2,925,000 | 3,159,000 | 3,390,000 |
| TOTAL OPERATING EXPENSES | 1,432,858 | 1,603,356 | 1,835,496 | 1,900,000 | 1,944,000 | 1,990,000 | 2,038,000 | 2,085,000 | 2,137,000 |
| NET REVENUE FOR DEBT SERVICE | 545,066 | 675,327 | 845,104 | 288,055 | 684,796 | 724,000 | 887,000 | 1,074,000 | 1,253,000 |
| Safe Drinking Water Loan | 1,002,458 | 879,749 | - | - | - | - | - | - | - |
| 2024 Certificates of Participation | - | - | - | - | - | 28,949 | 198,599 | 197,415 | 200,868 |
| TOTAL DEBT SERVICE | 1,002,458 | 879,749 | - | - | - | 28,949 | 198,599 | 197,415 | 200,868 |
| DEBT SERVICE COVERAGE | 0.54 | 0.77 | - | - | - | 25.01 | 4.47 | 5.44 | 6.24 |

(1) Projections are based on the District's rate study approved December 8, 2022.

Debt Service Coverage: 12-Year Term

| Description | Actual FYE 2020 | Actual FYE 2021 | Actual FYE 2022 | Actual FYE 2023 | Projected (1) FYE 2024 | Projected (1) FYE 2025 | Projected (1) FYE 2026 | Projected (1) FYE 2027 | Projected (1) FYE 2028 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| TOTAL REVENUE | 1,977,924 | 2,278,683 | 2,680,600 | 2,188,055 | 2,628,796 | 2,714,000 | 2,925,000 | 3,159,000 | 3,390,000 |
| TOTAL OPERATING EXPENSES | 1,432,858 | 1,603,356 | 1,835,496 | 1,900,000 | 1,944,000 | 1,990,000 | 2,038,000 | 2,085,000 | 2,137,000 |
| NET REVENUE FOR DEBT SERVICE | 545,066 | 675,327 | 845,104 | 288,055 | 684,796 | 724,000 | 887,000 | 1,074,000 | 1,253,000 |
| Safe Drinking Water Loan | 1,002,458 | 879,749 | - | - | - | - | - | - | - |
| 2024 Certificates of Participation | - | - | - | - | - | 29,248 | 174,970 | 174,948 | 174,680 |
| TOTAL DEBT SERVICE | 1,002,458 | 879,749 | - | - | - | 29,248 | 174,970 | 174,948 | 174,680 |
| DEBT SERVICE COVERAGE | 0.54 | 0.77 | - | - | - | 24.75 | 5.07 | 6.14 | 7.17 |

(1) Projections are based on the District's rate study approved December 8, 2022.

Debt Service Coverage: 15-year Term

| Description | Actual FYE 2020 | Actual FYE 2021 | Actual FYE 2022 | Actual FYE 2023 | Projected (1) FYE 2024 | Projected (1) FYE 2025 | Projected (1) FYE 2026 | Projected (1) FYE 2027 | Projected (1) FYE 2028 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| TOTAL REVENUE | 1,977,924 | 2,278,683 | 2,680,600 | 2,188,055 | 2,628,796 | 2,714,000 | 2,925,000 | 3,159,000 | 3,390,000 |
| TOTAL OPERATING EXPENSES | 1,432,858 | 1,603,356 | 1,835,496 | 1,900,000 | 1,944,000 | 1,990,000 | 2,038,000 | 2,085,000 | 2,137,000 |
| NET REVENUE FOR DEBT SERVICE | 545,066 | 675,327 | 845,104 | 288,055 | 684,796 | 724,000 | 887,000 | 1,074,000 | 1,253,000 |
| Safe Drinking Water Loan | 1,002,458 | 879,749 | - | - | - | - | - | - | - |
| 2024 Certificates of Participation | - | - | - | - | - | 29,546 | 146,478 | 147,889 | 149,053 |
| TOTAL DEBT SERVICE | 1,002,458 | 879,749 | - | - | - | 29,546 | 146,478 | 147,889 | 149,053 |
| DEBT SERVICE COVERAGE | 0.54 | 0.77 | - | - | - | 24.50 | 6.06 | 7.26 | 8.41 |

(1) Projections are based on the District's rate study approved December 8, 2022.

Private Placement Model: 10-Year Term

An overview of the financing for a 10-year term private placement

| | |
|-----------------------------|--------------------------|
| Estimated Project Fund | \$1,500,000 |
| Estimated Cost of Issuance* | \$80,000 |
| Estimated Par Value | \$1,580,000 |
| Total Debt Service | \$2,022,897 |
| Average Annual Debt Service | \$199,395 |
| Final Maturity | September 1, 2034 |
| Interest Rate | 4.85% |
| Arbitrage Yield | 4.85% |
| All-In TIC | 5.93% |

*Includes placement agent, bond counsel, and bank counsel fees, and CDIAC/contingency

Private Placement Model: 12-Year Term

An overview of the financing for a 12-year term private placement

| | |
|-----------------------------|--------------------------|
| Estimated Project Fund | \$1,500,000 |
| Estimated Cost of Issuance* | \$80,000 |
| Estimated Par Value | \$1,580,000 |
| Total Debt Service | \$2,117,868 |
| Average Annual Debt Service | \$174,052 |
| Final Maturity | September 1, 2036 |
| Interest Rate | 4.90% |
| Arbitrage Yield | 4.90% |
| All-In TIC | 5.83% |

*Includes placement agent, bond counsel, and bank counsel fees, and CDIAC/contingency

Private Placement Model: 15-Year Term

An overview of the financing for a 15-year term private placement

| | |
|-----------------------------|--------------------------|
| Estimated Project Fund | \$1,500,000 |
| Estimated Cost of Issuance* | \$80,000 |
| Estimated Par Value | \$1,580,000 |
| Total Debt Service | \$2,268,639 |
| Average Annual Debt Service | \$149,273 |
| Final Maturity | September 1, 2036 |
| Interest Rate | 4.95% |
| Arbitrage Yield | 4.95% |
| All-In TIC | 5.72% |

*Includes placement agent, bond counsel, and bank counsel fees, and CDIAC/contingency

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