

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEAUMONT APPROVING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT FOR THE PURPOSE OF CAUSING THE ISSUANCE OF THE WASTEWATER REVENUE REFUNDING BONDS, SERIES 2025A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHTY MILLION DOLLARS (\$80,000,000) AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS**

**WHEREAS**, the City of Beaumont (the “City”), a municipal corporation that is duly organized and existing under the general laws of the State of California (the “State”); and

**WHEREAS**, the City proposes to undertake the financing of the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its wastewater system (collectively, the “2025 Project”); and

**WHEREAS**, the City also proposes to refinance certain installment payments owed by the City in connection with the outstanding Beaumont Public Improvement Authority Wastewater Revenue Bonds, Series 2018A (the “2018 Installment Payments”), used for the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its wastewater system, including but not limited to expansion of the Beaumont Wastewater Treatment Plant’s (the “Treatment Plant”) capacity, upgrades to the treatment process at the Treatment Plant, construction of a pipeline between the Treatment Plant and the Inland Empire Brine Line (the “Brine Line”), the acquisition of conveyance capacity in the Brine Line and the acquisition of treatment capacity at Orange County Sanitation District’s brine treatment facility (collectively, the “2018 Project”); and

**WHEREAS**, the City is a member of the Beaumont Public Improvement Authority (the “Authority”), a public entity that is duly organized and existing under a joint exercise of powers agreement and under the Constitution and laws of the State; and

**WHEREAS**, the Authority has previously issued its Wastewater Revenue Bonds, Series 2018A (the “2018 Bonds”), secured by the 2018 Installment Payments; and

**WHEREAS**, the City desires to have the Authority issue Wastewater Revenue Refunding Bonds (the “Bonds”) for the purpose of financing the 2025 Project, refinancing of all or a portion of the 2018 Installment Payments and paying costs of issuance in connection therewith; and

**WHEREAS**, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”); and

**WHEREAS**, in accordance with the requirements of Government Code Section 5852.1, there has been presented to the City Council of the City and disclosed at the meeting at which this resolution is being adopted the information required by Government Code Section 5852.1 which is attached hereto as Exhibit A; and

**WHEREAS**, the City Council has determined that it is in the best interest of the City to enter into an Installment Purchase Agreement (the “Installment Purchase Agreement”), by and between the City and the Authority, and to approve certain other documents to provide for the financing of the 2025 Project and refinancing of the 2018 Installment Payments; and

**WHEREAS**, the Bonds are to be secured by installment payments to be made pursuant to the Installment Purchase Agreement, which installment payments will be payable from net revenues of the City’s wastewater system to the extent set forth in the Installment Purchase Agreement; and

**WHEREAS**, the Authority and Zions Bancorporation, National Association, as trustee (the “Trustee”), will enter into an Indenture of Trust (the “Indenture”), to provide for the issuance and security of the Bonds, the financing of the 2025 Project and the refinancing of the 2018 Installment Payments; and

**WHEREAS**, in order to effect a public sale of the Bonds, the City is required under federal securities laws and regulations to prepare a preliminary official statement with respect to the Bonds (the “Preliminary Official Statement”) disclosing material information about the City, the 2025 Project and the City’s wastewater system; and

**WHEREAS**, the City wishes at this time to approve the Preliminary Official Statement for the Bonds, which has been prepared by the City and the Authority with the assistance of Stradling Yocca Carlson & Rauth LLP, as bond counsel and disclosure counsel (“Disclosure Counsel”); and

**WHEREAS**, the City, the Authority and Zions Bancorporation, National Association, as escrow agent (the “Escrow Agent”), desire to enter into an escrow agreement (the “Escrow Agreement”) to provide for defeasance of the 2018 Bonds; and

**WHEREAS**, the City desires to execute a Continuing Disclosure Agreement with Urban Futures, Inc., as dissemination agent, to be dated the closing date of the Bonds (the “Continuing Disclosure Agreement”), to provide updates of certain information relating to the City while the Bonds are outstanding; and

**WHEREAS**, the City desires to execute and deliver a bond purchase agreement (the “Purchase Contract”) with the Authority and Stifel, Nicolaus & Company, Incorporated, as underwriter of the Bonds (the “Underwriter”), with respect to the Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BEAUMONT AS FOLLOWS:**

**Section 1.** The City Council hereby specifically finds and declares that each of the statements, findings and determinations of the City Council that are set forth in the above recitals and in the preambles of the documents that are approved herein are true and correct and that there are significant public benefits of the type described in Section 6586(a)-(d), inclusive, of the Act for the residents of the City by issuing the Bonds under the Act in that the issuance of the Bonds and related transactions will result in demonstrable savings in bond preparation, bond underwriting and bond issuance costs.

**Section 2.** The issuance by the Authority of the Bonds in the principal amount not to exceed \$80,000,000 to finance the 2025 Project, refinance all or a portion of the 2018 Installment Payments

and to pay the cost of issuance of the Bonds is hereby approved; provided, however, that the Bonds shall be issued only in accordance with the parameters set forth in Section 5 below.

**Section 3.** The Installment Purchase Agreement is hereby approved substantially in the form on file with the City Clerk. The Mayor or Mayor Pro-Tem of the City or the City Manager or Director of Finance of the City (each, an “Authorized Officer”) or the designee thereof is hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by the City Attorney or the law firm of Stradling Yocca Carlson & Rauth LLP (“Bond Counsel”) and approved by the officer executing the same, said execution being conclusive evidence of such approval.

**Section 4.** The Continuing Disclosure Agreement is hereby approved substantially in the form on file with the City Clerk. Each Authorized Officer or the designee thereof is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes, insertions and omissions as may be recommended by the City Attorney or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval.

**Section 5.** The Purchase Contract is hereby approved substantially in the form on file with the City Clerk. Each Authorized Officer or the designee thereof is hereby authorized and directed to execute and deliver such Purchase Contract with such changes, insertions and omissions as may be recommended by the City Attorney or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the aggregate principal amount of the Bonds exceed \$80,000,000, nor shall the underwriting discount exceed 2.47% of the aggregate principal amount of the Bonds, nor shall the Bonds be issued unless the refunding of the 2018 Bonds results in at least 3% net present value savings compared to debt service on the 2018 Bonds.

**Section 6.** The proceeds of the Bonds shall be deposited as provided in the Indenture and the Installment Purchase Agreement to finance the 2025 Project and refinance the 2018 Installment Payments.

**Section 7.** The preparation and distribution of the Preliminary Official Statement in substantially the form on file with the City Clerk of the City is hereby approved. The Mayor or Mayor Pro Tempore of the City or the City Manager, Assistant City Manager or Director of Finance of the City or the designee thereof (each, an “Authorized Officer”) is hereby authorized: (i) to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”) deeming the Preliminary Official Statement substantially final under the Rule, except for the omission of information as permitted by the Rule; and (ii) to execute, approve and deliver the final Official Statement substantially in the form of the Preliminary Official Statement with such changes, insertions and omissions as the officer or officers executing said document may require or approve, subject to advice from the City Attorney or Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is directed to deliver copies of the final Official Statement to all actual initial purchasers of the Bonds.

**Section 8.** The Authorized Officers, the City Clerk or any other proper officer of the City, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and

all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Preliminary Official Statement.

**Section 9.** The Escrow Agreement in substantially the form on file with the City Clerk of the City, is hereby approved, and each of the Authorized Officers, acting alone, is hereby authorized and directed to execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the City's legal counsel and Bond Counsel, with the execution thereof by an Authorized Officer being conclusive evidence of approval of any such changes, insertions or omissions.

**Section 10.** The appointment of Zions Bancorporation, National Association, as Trustee under and pursuant to the Indenture, and as Escrow Agent under and pursuant to the Escrow Agreement, with the powers and duties of said office as set forth therein, is hereby approved.

**Section 11.** The City Council hereby authorizes the City Manager or his designee: (i) to solicit bids on a municipal bond insurance policy and/or reserve surety; (ii) to negotiate the terms of such policy or policies; (iii) to finalize, if appropriate, the form of such policy or policies with a municipal bond insurer; and (iv) if it is determined that the policy or policies will result in net savings for the City, to pay the insurance premium of such policy or policies from the proceeds of the issuance and sale of the Bonds.

**Section 12.** The Authorized Officers, the City Clerk or any other proper officer of the City, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Agreement, the Escrow Agreement, the Official Statement and this resolution, including the acquisition of any bond insurance or a reserve surety. In the event that the Mayor and Mayor Pro-Tem of the City are unavailable to sign any of the agreements described herein, any other member of the City Council may sign such agreement.

**Section 13.** Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture unless the context otherwise clearly requires.

**Section 14.** The City Council acknowledges that the good faith estimates have been obtained from the City's municipal advisor in accordance with Government Code section 5852.1 and are set forth on Exhibit A attached hereto. The City Council finds and determines that the provisions of Government Code section 5852.1 have been satisfied with respect to the authorization of the Bonds.

**Section 15.** The City Council hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

**Section 16.** This resolution shall take effect immediately.

**MOVED, PASSED, and ADOPTED** this 3rd day of June, 2025.

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Mike Lara, Mayor

I, Nicole Wheelwright, Deputy City Clerk of the City of Beaumont, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the City Council of the City of Beaumont held on the 3rd day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

\_\_\_\_\_  
Nicole Wheelwright, Deputy City Clerk

## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Urban Futures, Inc., the City's Municipal Advisor (the "Municipal Advisor") in consultation with Stifel, Nicolas & Co., the Underwriter for the Bonds.

Principal Amount. The Municipal Advisor has informed the City that, based on the City's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$73,490,000 (the "Estimated Principal Amount").

(a) True Interest Cost of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 4.32%.

(b) Finance Charge of the Bonds. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is \$685,642.

(c) Amount of Proceeds to be Received. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, set forth in (b) above, and any reserve fund funded with proceeds of the Bonds, is \$78,006,640.

(d) Total Payment Amount. The Municipal Advisor has informed the City that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds as described in (b) above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$126,743,451.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such

factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.