



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Authorize the City Manager to Engage Lamont Financial Services and Stone and Youngberg LLC for Professional Services Related to Financing the Mokelumne Water Treatment Plant and Adopt a Resolution Declaring Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness

**MEETING DATE:** January 6, 2010

**PREPARED BY:** Deputy City Manager

**RECOMMENDED ACTION:** Authorize the City Manager to engage Lamont Financial Services and Stone and Youngberg LLC for professional services related to financing the Mokelumne Water Treatment Plant and adopt a resolution declaring intent to reimburse certain expenditures from proceeds of indebtedness.

**BACKGROUND INFORMATION:** In November 2006, City Council formed a financial services selection committee. At that time, several financial needs for which financial advisory services were needed had been identified, including expansion of the wastewater plant, refinancing of Electric Utility bonds and Electric Utility bond swaps. Lamont Financial Services was recommended to provide Financial Advisory Services, and Stone & Youngberg were recommended to provide underwriting and investment banking services. The City again needs financial advisory services for the new water treatment plant.

The firms of Lamont Financial and Stone and Youngberg, LLC have served the City well in recently completed financings. We request that Council approve continuing to use the services of these firms on upcoming financings. Financial advisors and bond underwriters are typically paid with the proceeds from bond issues resulting in no out-of-pocket costs to the City. However, while typically underwriters are not paid unless there is a successful financing, financial advisors are paid regardless in order to avoid a conflict with a final debt offering.

Both Lamont and Stone and Youngberg have displayed a very high degree of customer service. Lamont has consistently been available to provide uncompensated advice and counsel, and Stone and Youngberg in 2008, while serving as the banker for the 2008 Electric Utility bond refinancing, stepped in and underwrote \$30 million of unsold bonds that allowed Lodi to have a successful bond sale. Stone and Youngberg has an above average level of experience with Mello-Roos and assessment district financing that will be an advantage to ensure costs are appropriately spread.

Lamont proposes a not-to-exceed fee for service of \$60,000 and the fee for Stone and Youngberg is subject to negotiation, which will be returned to Council for later approval.

City staff will shortly begin a selection process to add bond counsel to the financing team. A separate approval by City Council of a bond counsel will be brought back at a later date.

APPROVED: \_\_\_\_\_

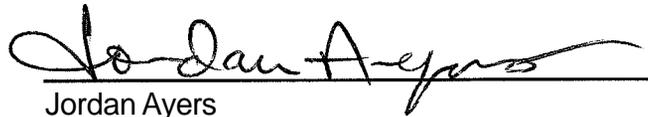
Blair King, City Manager

A resolution declaring intent to reimburse certain expenditures from proceeds of bonded indebtedness is a common vehicle that allows an issuer to include costs incurred prior to bond issuance in the face amount of the bonds, thereby reimbursing the issuer for the costs incurred to date. Such costs can be for soft cost items such as design and engineering as well as hard construction costs.

The resolution does not commit the City to make any expenditures, incur any indebtedness, seek other financing means, or proceed with the project. The resolution simply provides the City with the ability to seek reimbursement for already incurred and future costs should the City proceed with bonded indebtedness. This resolution is solely for the purposes of establishing compliance with the requirements of Treasury Regulations Section 1.150-2.

**FISCAL IMPACT:** Adoption of the attached resolution will allow the City to reimburse itself for any costs incurred. Lamont fee is not to exceed \$60,000 and probably will be paid from bond proceeds.

**FUNDING AVAILABLE:** Potential bond proceeds.



Jordan Ayers  
Deputy City Manager/Internal Services Director

## *Lamont Financial Services*

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November 24, 2009

Mr. Blair King  
City Manager  
City of Lodi  
221 West Pine Street  
Lodi, California 95241-1910

Re: Financial Advisory Services Agreement/Surface Water Treatment Plant

Dear Blair

This letter ("Agreement") will set out the terms under which Lamont Financial Services Corporation ("Lamont") will provide certain financial advisory services for the City of Lodi ("City"). The services to be provided relate to the City's effort to construct a Surface Water Treatment Plant and the development of a Plan of Finance to support the revenues required for debt issuance and operations.

### Proposed Scope of Services:

Provided below is a general listing of financial advisory services to be provided by Lamont to the City. The advisory assignment will include the review of the City's Water System Enterprise Operation including debt capacity based on expected new system revenues and cost sharing alternatives of a new Water Treatment Facility. Additional services will include:

- Provide detail financial analysis to assist the City in determining the overall cost in constructing the Surface Treatment Plant,
- Develop and present to the City a Financial Evaluation of the potential cost sharing alternatives for the construction and operation of the Facility i.e. new development contribution,
- Provide financial analysis for the potential benefits offered by the creation of a Community Facilities District ("CFD) that may offset the System's Facility costs,
- Review the credit and rating implications of particular debt structuring alternatives unique to the Facility that may impact the System's long-term capital program,
- Prepare financing time schedule with the City staff, rating presentation and bond document coordination,
- Work closely with the underwriting team to establish pricing for the Facility debt offering.

### Pricing of Services

- 1) We have prepared a fee proposal for your consideration. The team proposes a not to exceed \$60,000 fee for professional services related to the services to be provided under Proposed Scope of Services. If the project is prolonged due to external events, we would request the City's consideration to revisit our proposed fee for a justified adjustment. Lamont will bill on a blended hourly rate of \$250 for all senior level personnel working with the City. Billings will represent tasks approved by the City and will be billed for actual hours. Funds remaining after the contract period will remain with the City.
- 2) Expenses: \$2,500 lump-sum fee

Contact person. The initial contact at Lamont for the services described herein is as follows:  
For Financial Advisory Services:

Thomas B. Dunphy.  
Lamont Financial Services  
3569 Perada Drive  
Walnut Creek, CA 94598  
(925)937-4958; (925)937-3383 fax  
[TDunphv@Lamonffin.com](mailto:TDunphv@Lamonffin.com)

We look forward to serving the City. We are confident that the experience, personnel and commitment to excellence of the team assembled for this assignment will provide a standard of service to the City necessary to meet present and future program and financial challenges.

Sincerely,

Thomas Dunphy  
Executive Vice President  
Lamont Financial Services

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APPROVED AND ACCEPTED:  
City of Lodi

By: \_\_\_\_\_  
Authorized Officer



November 25, 2009

Blair King  
City Manager  
City of Lodi  
221 West Pine Street  
Lodi, CA 95241

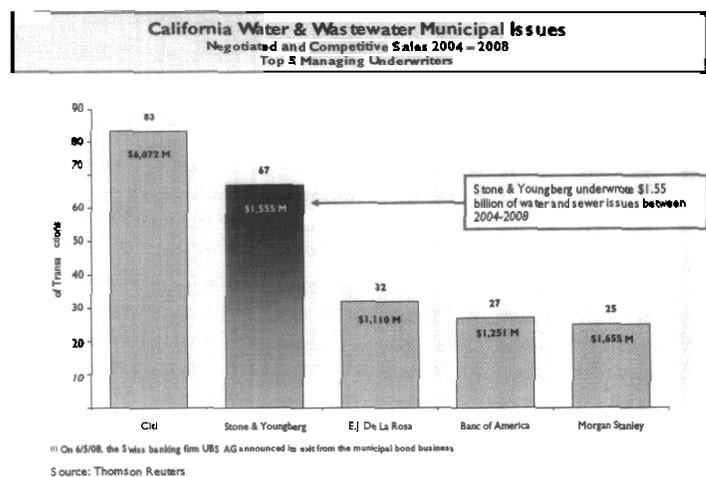
Dear Blair:

On behalf of Stone & Youngberg, I am pleased to submit our qualifications and a fee proposal to provide underwriting services to the City of Lodi for its proposed Water Treatment Plant financing. Our proposal addresses the possibility of either Water Revenue Bonds, taxable Water Revenue Build America Bonds or Mello Roos Special Tax Bonds. The following points highlight our credentials.

**Leader in Local Government Public Finance.** Stone & Youngberg is the West Coast's largest regional investment banking firm specializing in fixed income securities. The firm has underwritten over **1,142** individual financings totaling **\$24.6** billion in the five year period ending on December 31, 2008. These include over **726** financings totaling **\$16.6** billion for California local governmental entities – more than any other investment banking firm. In addition, the firm has been repeatedly selected by the State of California for senior-manager, comanager and selling group member roles on financings for the State and its agencies.

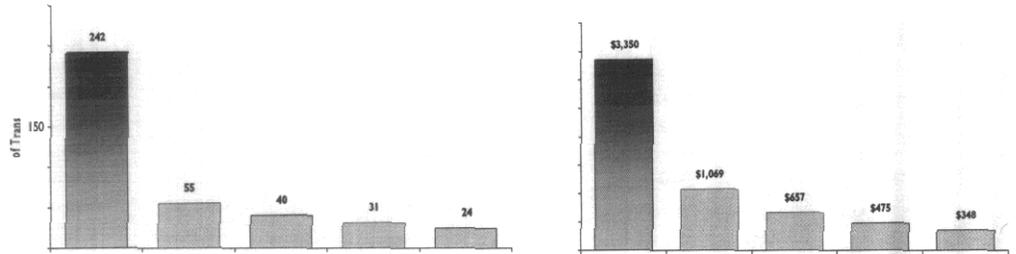
**Leader in Water/Wastewater Financings.** Stone & Youngberg was founded in **1931** to help Central Valley irrigation districts finance their capital needs during the Great Depression. The firm has continued this focus on California water and wastewater financings ever since. Between **2004** and **2008**, Stone & Youngberg structured and underwrote **67** separate water or wastewater issues for local California issuers. These financings represent a dollar volume of **\$1.55** billion, as shown in the chart below. In **2009** to date, the firm has underwritten over **15** water or wastewater financings totaling \$754 as sole or lead manager. A listing of recent transactions is provided as Appendix A.

Our recent water and wastewater clients include the cities of Clovis, Garden Grove, Redlands, Brea, Lodi, Millbrae, Hollister, Sacramento and Stockton, the Castaic Lake Water Agency, Amador Water Agency, Dublin San Ramon Services District, Alameda County Water District, East Bay Municipal Utility District, Fairfield-Suisun Sewer District, Truckee Donner Public Utility District, Sacramento County Water Agency, and the San Jose-Santa Clara Clean Water Financing Authority.



billion and 26  
assessment district

**California Land-Secured Municipal Issues  
Negotiated and Competitive Sales 2004 - 2008  
Top 5 Managing Underwriters**



**Stone & Youngberg Select Underwriting Commitments**

Date	Issuer	Par Amount	\$ Underwritten	% Underwritten
March 2009	City of Las Vegas	\$85,000,000	\$17,500,000	20.5%
January 2009	Metropolitan Water District	\$200,000,000	\$53,000,000	26.5%
August 2008	Grossmont Union HSD	\$88,159,578	\$27,420,000	31.1%
September 2008	State of CA I-Bank	\$48,375,000	\$27,350,000	56.6%

**Fee Proposal.** Stone & Youngberg's compensation is taken in the form of an underwriting discount and is largely a function of the structure, size, tax status and credit quality of the issue, and the volatility of the capital markets. Our underwriting fees consist of three components: a

management fee, sales compensation or takedown and expenses. Fee ranges are provided for each component assuming a variety of bond structures.

**(1) Management Fee:** The management fee compensates us for the banking work needed to structure the transaction, guide the preparation of the legal documents and credit presentation, and conduct financial and options analysis. This fee will depend, in part, upon the division of labor between our staff and the City's financial advisor. For a straightforward water revenue bond, we propose a management fee in the range of \$25,000 to **\$55,000**. If the City were to use Build America Bonds (authorized by the American Recovery and Reinvestment Act of 2009 and available through the end of 2010), our management fee would increase by **\$5,000** to account for the additional complexity. For Mello Roos special tax bonds, we propose a management fee in the range of \$40,000 to \$75,000, depending upon the credit quality and timeline to complete the transaction.

**(2) Takedown:** The largest component of our discount is the takedown, which compensates our sales force for selling the bonds. During the market tumult of late 2008 and early 2009, much higher takedowns were required to complete a successful bond sale due to the widespread investor retreat. In the last few months, the market has been operating in a more orderly fashion again. Assuming such *relatively stable conditions* continue, we propose the following average takedowns: **\$4.85** per \$1,000 of bonds for a straightforward water revenue bonds with an A or AA category rating, \$5.85 for similarly-rated taxable water revenue Build America Bonds, and \$10.00 for non-rated Mello Roos special tax bonds. If market conditions were to deteriorate significantly at the time of the City's bond sale, we'd note that higher takedowns might be required.

**(3) Expenses:** The bulk of our expenses are regulatory fees, travel expenses and conference calls. Our estimated itemized expenses are presented at right. We would not require an Underwriter's Counsel for a investment-graded transaction if the City were to hire its own Disclosure Counsel and that firm would be willing to provide a 10(b)5 opinion to us. For a non-rated financing, we would require Underwriter's Counsel and estimate an additional expense of **\$15,000**. If the City prefers that we hire Underwriter's Counsel to prepare the Official Statement then we'd estimate an additional expense of **from \$25,000 to \$55,000**.

<b>Estimated Expenses</b>	
CUSIP Fees	430
SIFMA Fees	1,050
Cal PSA Fees	350
CDIAC	3,000
DTC Fee	337
Day Loan	972
Internet Posting of OS	500
Blue Sky filing	500
Handling fee	<b>2,250</b>
Travel, delivery, conference calls, etc.	2,500
<del>Other</del> expenses	1,611
<b>Total</b>	<b>\$ 13,500</b>

**Summary:** The table below provides you

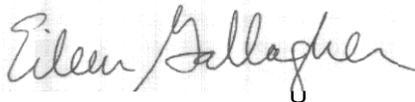
**City of Lodi Water Treatment Plant Financing**

**indicative Summary Underwriting Proposal for a \$35 Million Financing**

	Water Revenue Bonds (A or AA rating)		Water Revenue BABs (A or AA rating)		Special Tax Bonds (Non-rated)	
	<u>\$ Per \$1,000</u>	<u>Total</u>	<u>\$ Per \$1,000</u>	<u>Total</u>	<u>\$ Per \$1,000</u>	<u>Total</u>
Average Takedown	54.85	\$169,150	\$5.85	\$204,750	\$10.00	\$350,000
Management Fee	1.00	35,000	1.14	40,000	1.43	50,000
Underwriter's Counsel *	0.00	0	0.00	0	0.43	15,000
Expenses	0.39	13,500	0.39	13,500	0.39	13,500
<b>Total</b>	<b>56.24</b>	<b>\$218,250</b>	<b>\$7.38</b>	<b>\$258,250</b>	<b>\$12.24</b>	<b>\$428,500</b>

Stone & Youngberg has earned a reputation for honest, thoughtful, energetic service to our clients for nearly 80 years. We appreciate the opportunity to present our qualifications and look forward to earning this business.

Sincerely,



Eileen Gallagher  
 Managing Director  
 (415) 445-2311  
 egallagher@syllc.com

**Appendix A  
Stone & Youngberg Water and Wastewater Financing Experience Since 2005**

<b>Dated Date</b>	<b>Issuer Name</b>	<b>Par</b>	<b>S&amp;Y Role</b>	<b>Sale</b>
12/03/2009	Central Contra Costa Sanitary District	\$ 34,490,000	Sole	Negotiated
12/02/2009	California Department of Water Resources	169,115,000	Lead	Negotiated
11/12/2009	Central Contra Costa Sanitary District	19,635,000	Sole	Negotiated
10/22/2009	Whittier Utility Authority	3,150,000	Sole	Negotiated
10/22/2009	Whittier Utility Authority	5,945,000	Sole	Negotiated
10/14/2009	Alameda County Water District	26,340,000	Sole	Negotiated
09/03/2009	Indian Wells Valley Water District	20,000,000	Sole	Competitive
08/20/2009	Riverside, City of	36,835,000	c o	Negotiated
08/20/2009	Riverside, City of	240,910,000	c o	Negotiated
08/11/2009	Mesa Consolidated Water District	14,700,000	Sole	Negotiated
07/21/2009	Culver City	20,085,000	Sole	Negotiated
07/02/2009	South Bayside System Authority	55,855,000	Sole	Negotiated
06/30/2009	Tulare, City of	54,775,000	Sole	Negotiated
06/26/2009	San Diego Public Facilities Financing Authority	328,060,000	c o	Negotiated
06/25/2009	Metropolitan Water District of Southern California	91,165,000	c o	Negotiated
06/10/2009	Metropolitan Water District of Southern California	106,690,000	c o	Negotiated
06/10/2009	Metropolitan Water District of Southern California	78,385,000	c o	Negotiated
05/28/2009	Lynwood Utility Authority	5,735,000	c o	Negotiated
05/21/2009	Brea Public Financing Authority	12,855,000	Sole	Negotiated
05/21/2009	Brea Public Financing Authority	12,945,000	Sole	Negotiated
05/20/2009	Metropolitan Water District of Southern California	104,160,000	Sole	Negotiated
01/27/2009	Metropolitan Water District of Southern California	200,000,000	Lead	Negotiated
12/31/2008	South Bayside System Authority	10,000,000	Sole	Negotiated
12/18/2008	Oceanside, City of	10,540,000	Sole	Negotiated
11/25/2008	Lynwood Utility Authority	9,755,000	c o	Negotiated
08/28/2008	Lomita, city of	7,550,000	Sole	Negotiated
07/31/2008	Metropolitan Water District of Southern California	79,045,000	c o	Negotiated
06/11/2008	Chino Basin Desalter Authority	89,440,000	Sole	Negotiated
05/29/2008	Millbrae Public Financing Authority	3,965,000	Sole	Negotiated
05/01/2008	Los Angeles Wastewater System	31,900,000	Sole	Negotiated
05/01/2008	California Department of Water Resources	632,890,000	c o	Negotiated
12/20/2007	San Joaquin County Public Facilities Financing Corp	8,450,000	Sole	<b>Negotiated</b>
12/05/2007	Lodi, City of	30,320,000	Lead	Negotiated
11/20/2007	Badger Water Facilities Financing Authority	20,685,000	c o	Competitive
11/15/2007	Fairfield, City of	84,466,697	Sole	Negotiated
06/13/2007	Santa Rosa, City of	67,010,000	Sole	Negotiated
05/30/2007	Hollister Joint Powers Financing Authority	6,860,000	Sole	Negotiated
05/23/2007	Metropolitan Water District of Southern California	400,000,000	c o	Negotiated
05/09/2007	Sacramento County Water Financing Authority	184,500,000	c o	Negotiated
03/15/2007	Clovis Public Financing Authority	68,540,000	Sole	Negotiated
01/30/2007	Crescenta Valley Water District	10,070,000	Sole	Negotiated
12/20/2006	Hollister Joint Powers Financing Authority	120,535,000	Sole	Negotiated
10/26/2006	Richmond, City of	16,570,000	Sole	Negotiated
10/26/2006	Richmond, City of	32260,000	Sole	Negotiated
09/21/2006	Cucamonga Valley Water District	21,610,000	Sole	Negotiated
08/23/2006	Metropolitan Water District of Southern California	200,000,000	c o	Negotiated
03/16/2006	Vallejo Sanitation and Flood Control District	39,665,000	Sole	Negotiated
12/13/2005	Los Angeles, City of	300,655,000	c o	Competitive
09/22/2005	Avenal Public Financing Authority	9,660,000	Sole	Negotiated

City of Lodi Water Treatment Plant Financing

07/28/2005	Metropolitan Water District of Southern California	<b>100,000,000</b>	c o	Negotiated
06/08/2005	Rohnert Park, City of	13,000,000	Sole	Negotiated
05/05/2005	Clovis Public Financing Authority	25,735,000	Sole	Negotiated
04/28/2005	Oxnard Financing Authority	20,955,000	Lead	Negotiated
04/20/2005	Santa Fe Springs Public Financing Authority	3,705,000	Sole	Negotiated
03/23/2005	Fairfield, City of	<b>47,085,000</b>	Sole	Negotiated
03/17/2005	Santa Cruz County Sanitation District	9,335,000	Sole	Negotiated

56 Transactions Totaling \$4.36 Billion Par Value

Appendix B  
Stone & Youngberg Land Secured Financing Experience Since 2005

<b>Dated Date</b>	<b>Issuer Name</b>	<b>Par</b>	<b>S&amp;Y Role</b>	<b>Sale</b>
11/18/2009	Los Altos, City of	\$ 662,880	Sole	Negotiated
11/05/2009	Riverside Unified School District	5,465,000	Sole	Negotiated
07/09/2009	Piedmont City of	3,200,000	Sole	Negotiated
07/09/2009	Piedmont City of	205,000	Sole	Negotiated
07/02/2009	Poway Unified School District PFA	8,995,000	Sole	Negotiated
06/16/2009	Placentia Public Financing Authority	9,715,000	Sole	Negotiated
05/14/2009	Los Altos Hills, Town of	3,143,364	Sole	Negotiated
03/12/2009	Carpinteria Sanitary District	6,053,439	Sole	Negotiated
01/29/2009	Saugus Union School District	8,275,000	Sole	Negotiated
01/29/2009	Saugus Union School District	4,810,000	Sole	Negotiated
12/23/2008	Malibu, City of	4,365,000	Sole	Negotiated
12/10/2008	Eastern Municipal Water District	1,205,000	PA	Private Placement
12/09/2008	Elk Grove Unified School District	30,575,000	FA	Competitive
12/09/2008	Elk Grove Unified School District	651,133	FA	Competitive
10/16/2008	Sacramento Area Flood Control Agency	84,965,000	c o	Negotiated
138/27/2008	Yolo, County of	6,405,000	Member	Competitive
138/21/2008	San Diego, City of	12,365,000	Sole	Negotiated
07/30/2008	Lammersville School District	1,895,000	Sole	Negotiated
137/02/2008	Dana Point City of	8,710,000	Sole	Negotiated
14/10/2008	San Diego, City of	3,950,000	Lead	Negotiated
04/03/2008	Fairfield, City of	18,095,000	Sole	Negotiated
04/03/2008	Fairfield, City of	<b>15,510,000</b>	<b>Sole</b>	<b>Negotiated</b>
09/26/2008	Eastern Municipal Water District	<b>5,110,000</b>	<b>Sole</b>	<b>Negotiated</b>
133/26/2008	Poway Unified School District	48,420,000	Sole	Negotiated
152/21/2008	Carlsbad, City of	18,175,000	Sole	Negotiated
01/30/2008	Etiwanda School District	62,295,000	Sole	Negotiated
01/30/2008	Stockton Public Financing Authority	12,745,000	Sole	Negotiated
131/08/2008	Riverside, County of	11,585,000	Sole	Negotiated
131/08/2008	Lincoln Unified School District	729,850	Sole	Negotiated
12/12/2007	Etiwanda School District	7,090,000	Sole	Negotiated
12/06/2007	Aliso Viejo, City of	34,070,000	Sole	Negotiated
12/04/2007	Lake Elsinore Unified School District	1,720,000	Sole	Negotiated
12/04/2007	Rocklin Unified School District	6,793,381	Sole	Negotiated
12/04/2007	Rocklin Unified School District	26,625,000	Sole	Negotiated
12/04/2007	Rocklin Unified School District	12,309,968	Sole	Negotiated
11/21/2007	San Jacinto Unified School District	1,460,000	Sole	Negotiated
11/20/2007	Etiwanda School District	10,300,000	Sole	Negotiated
11/14/2007	Tejon Ranch PFFA	6,100,000	Sole	Negotiated
11/13/2007	Lincoln Unified School District	4,890,753	Sole	Negotiated

City of Lodi Water Treatment Plant Financing

11/01/2007	ABAG Finance Authority	3,270,000	Sole	Negotiated
10/31/2007	ABAG Finance Authority	11,000,000	Sole	Negotiated
10/25/2007	Sacramento. City of	11,465,000	Sole	Negotiated
09/06/2007	Eastern Municipal Water District	5,675,000	Sole	Negotiated
09/06/2007	Sacramento, County of	14,415,000	Sole	Negotiated
09/06/2007	Tustin, City of	53,570,000	co	Negotiated
08/23/2007	Palmdale, City of	2,135,000	Sole	Negotiated
08/23/2007	Palmdale. City of	8,250,000	PA	PrivatePlacement
08/23/2007	Palmdale, City of	3,205,000	Sole	Negotiated
08/23/2007	Palmdale. City of	6,460,000	PA	PrivatePlacement
08/08/2007	Eastern Municipal Water District	8,170,000	Sole	Negotiated
08/06/2007	Lake Berryessa Resort Impvt District	4,755,841	Sole	Negotiated
07/26/2007	Poway Unified School District	37,910,000	Sole	Negotiated
07/12/2007	San Marcos Public Facilities Authority	26,405,000	Lead	Negotiated
07/11/2007	Eastern Municipal Water District	1,180,000	Sole	Negotiated
06/28/2007	Del Mar Union School District	19,955,000	Sole	Negotiated
06/26/2007	ABAG Finance Authority	112,545,000	Lead	Negotiated
06/26/2007	ABAG Finance Authority	45,560,000	Lead	Negotiated
06/20/2007	Eastern Municipal Water District	2,060,000	Sole	Negotiated
06/20/2007	Eastern Municipal Water District	1,435,000	Sole	Negotiated
06/20/2007	Poway Unified School District PFA	69,945,000	Sole	Negotiated
06/14/2007	Chino, City of	23,715,000	Sole	Negotiated
06/05/2007	Davis, City of	14,115,000	Sole	Negotiated
05/30/2007	Eastern Municipal Water District	3,175,000	Sole	Negotiated
05/10/2007	Manteca Unified School District	3,120,000	Sole	Negotiated
05/10/2007	Manteca Unified School District	8,225,000	Sole	Negotiated
05/03/2007	Merced Unified School District	8,500,000	Sole	Negotiated
05/02/2007	Bakersfield, City of	50,100,000	Sole	Negotiated
04/26/2007	Lake Elsinore Unified School District	3,955,000	Sole	Negotiated
04/12/2007	Moreno Valley Unified School District	4,000,000	Sole	Negotiated
04/05/2007	Menifee Union School District	2,040,000	Sole	Negotiated
03/29/2007	Alvord Unified School District	4,560,000	Sole	Negotiated
03/29/2007	Alvord Unified School District	4,360,000	Sole	Negotiated
03/28/2007	Imperial. County of	2,105,000	Sole	Negotiated
03/22/2007	Orange Unified School District	5,920,000	Sole	Negotiated
03/22/2007	Moreno Valley Unified School District	11,235,000	Sole	Negotiated
02/28/2007	Anheim, City of	9,060,000	Sole	Negotiated
02/27/2007	Lake Elsinore School Financing Authority	39,995,000	Sole	Negotiated
02/07/2007	Azusa, City of	71,125,000	Sole	Negotiated
01/25/2007	Rancho Cucamonga, City of	2,980,000	Sole	Negotiated
01/25/2007	Rancho Cucamonga, City of	5,800,000	Sole	Negotiated
01/24/2007	Temecula Valley Unified School District	12,700,000	Sole	Negotiated
12/21/2006	Fortana, City of	26,815,000	Sole	Negotiated
12/21/2006	Chino Public Financing Authority	10,545,000	Sole	Negotiated
12/19/2006	Menifee Union School District	10,900,000	Sole	Negotiated
12/14/2006	Moreno Valley Unified School District	4,260,000	Sole	Negotiated
12/07/2006	Sacramento, City of	26,210,000	Sole	Negotiated
11/15/2006	Carson Public Financing Authority	25,000,000	Sole	Negotiated
11/15/2006	Carson Public Financing Authority	7,955,000	Sole	Negotiated
11/08/2006	Eastern Municipal Water District	3,500,000	Sole	Negotiated
11/08/2006	Palmdale. City of	2,220,000	Sole	Negotiated
11/01/2006	Escondido, City of	18,080,000	Sole	Negotiated
11/01/2006	Eastern Municipal Water District	3,975,000	Sole	Negotiated
10/26/2006	Chino, City of	9,545,000	Sole	Negotiated

**City of Lodi Water Treatment Plant Financing**

10/12/2006	TemeculaValley Unified School District	9,945,000	Sole	Negotiated
09/28/2006	Eastern Municipal Water District	9,350,000	Sole	Negotiated
09/28/2006	San Jacinto Unified School District	2,690,000	Sole	Negotiated
09/21/2006	Murrieta Valley Unified School District	5,105,000	Sole	Negotiated
09/12/2006	Lathrop, City of	50,000,000	Sole	Negotiated
09/07/2006	Eastern Municipal Water District	6,000,000	Sole	Negotiated
19/07/2006	Eastern Municipal Water District	13,445,000	Sole	Negotiated
09/01/2006	Temecula Public Financing Authority	3,075,000	Sole	Negotiated
09/01/2006	Temecula Public Financing Authority Western Riverside Water and	14,470,000	Sole	Negotiated
08/30/2006	Wastewater Financing Authority Western Riverside Water and	40,615,000	Sole	Negotiated
08/30/2006	Wastewater Financing Authority	4,400,000	Sole	Negotiated
08/29/2006	Lincoln Unified School District	14,750,000	Sole	Negotiated
18/25/2006	Coachella Valley Water District	8,239,480	Sole	Negotiated
08/24/2006	Lammersville School District	25,000,000	Sole	Negotiated
08/24/2006	Roseville, City of	42,650,000	Lead	Negotiated
08/16/2006	lone, City of	3,225,000	Sole	Negotiated
08/16/2006	lone, City of	3,845,000	PA	Negotiated
08/16/2006	lone, City of	1,550,000	PA	Private Placement
08/16/2006	lone, City of	10,855,000	PA	Private Placement
08/10/2006	San Jacinto Unified School District	2,565,000	Sole	Negotiated
08/10/2006	RNR School Financing Authority	21,025,000	Sole	Negotiated
08/08/2006	Rialto, City of	5,035,000	Sole	Negotiated
08/03/2006	Roreville, City of	22,095,000	c o	Negotiated
07/20/2006	Tracy, City of	10,660,000	Sole	Negotiated
07/20/2006	Riverside, County of	5,100,000	Sole	Negotiated
07/20/2006	Murrieta Valley Unified School District	5,640,000	Sole	Negotiated
07/20/2006	Riverside, County of	3,505,000	Sole	Negotiated
07/13/2006	San Diego, City of	16,000,000	PA	Private Placement
07/13/2006	Rancho Cucamonga, City of	43,545,000	Sole	Negotiated
07/13/2006	Menifee Union School District	4,740,000	Sole	Negotiated
07/06/2006	Eastern Municipal Water District	3,750,000	Sole	Negotiated
07/06/2006	Eastern Municipal Water District	890,000	Sole	Negotiated
16/22/2006	Poway Unified School District	15,150,000	Sole	Negotiated
13/22/2006	Poway Unified School District	51,495,000	Sole	Negotiated
06/20/2006	Chula Vista, City of	16,950,000	Sole	Negotiated
06/15/2006	East:em Municipal Water District	6,785,000	Sole	Negotiated
06/08/2006	ABAG Finance Authority	5,825,000	Lead	Negotiated
05/24/2006	Moreno Valley Unified School District	5,000,000	Sole	Negotiated
15/24/2006	Seal Beach, City of	8,800,000	Sole	Negotiated
15/17/2006	Chula Vista, City of	16,620,000	Sole	Negotiated
05/11/2006	Carlsbad, City of	11,490,000	Sole	Negotiated
05/10/2006	Sacramento, City of	19,025,000	Sole	Negotiated
04/27/2006	Temecula Public Financing Authority	1,250,000	Sole	Negotiated
04/27/2006	San Jacinto Unified School District	2,330,000	Sole	Negotiated
04/26/2006	Chino, City of	6,055,000	Sole	Negotiated
14/05/2006	Chino, City of	25,615,000	Sole	Negotiated
02/16/2006	Menifee Union School District PFA	37,325,000	Sole	Negotiated
02/09/2006	Burbank, City of	6,155,000	Sole	Negotiated
12/02/2006	Menifee Union School District	4,625,000	Sole	Negotiated
01/25/2006	William S. Hart Union HSD	18,605,000	Sole	Negotiated
01/25/2006	Saugus Union School District	16,055,000	Sole	Negotiated
01/19/2006	Orange Unified School District	6,540,000	Sole	Negotiated

City of Lodi Water Treatment Plant Financine

12/29/2005	Lincoln Unified School District	14,995,814	Sole	Negotiated
12/28/2005	Eastern Municipal Water District	4,988,209	Sole	Negotiated
12/22/2005	Tracy Operating Partnership/JPA	14,965,000	Sole	Negotiated
12/21/2005	Bakersfield, City of	15,595,000	Sole	Negotiated
12/21/2005	Chula Vista, City of	12,230,000	Sole	Negotiated
12/21/2005	Jurupa Unified School District	3,170,000	Sole	Negotiated
12/15/2005	Lake Elsinore Unified School District	3,435,000	Sole	Negotiated
12/15/2005	Schell-Vista Fire Protection District	403,463	Sole	Negotiated
12/13/2005	Mission Springs Water District	7,200,000	Sole	Negotiated
12/08/2005	Moreno Valley Unified School District	27,935,000	Sole	Negotiated
12/06/2005	Chula Vista, City of	22,565,000	Sole	Negotiated
12/01/2005	Dry Creek Joint Elementary SD	3,150,000	Sole	Negotiated
11/30/2005	South Orange County PFA	840,150,000	Sole	Negotiated
11/29/2005	Eastern Municipal Water District	11,735,000	Sole	Negotiated
11/29/2005	Eastern Municipal Water District	28,150,000	Sole	Negotiated
11/22/2005	Poway Unified School District	44,305,000	Sole	Negotiated
11/22/2005	Poway Unified School District	30,000,000	Sole	Negotiated
11/17/2005	Roseville, City of	9,165,000	Sole	Negotiated
11/16/2005	Rio Elementary School District	30,725,000	Sole	Negotiated
11/16/2005	Eastern Municipal Water District	1,800,000	Sole	Negotiated
11/16/2005	Eastern Municipal Water District	525,000	Sole	Negotiated
11/01/2005	Elk Grove Unified School District	43,540,000	Lead	Competitive
10/27/2005	Moreno Valley Unified School District	5,580,000	Sole	Negotiated
10/20/2005	Yuba, County of	13,895,000	Sole	Negotiated
10/20/2005	Rocklin, City of	13,645,000	Lead	Competitive
10/18/2005	Lathrop, City of	8,255,000	Sole	Negotiated
10/18/2005	Rancho Cucamonga, City of	9,835,000	Sole	Negotiated
10/13/2005	Lake Elsinore Unified School District	7,255,000	Sole	Negotiated
10/06/2005	San Jacinto Unified School District	2,450,000	Sole	Negotiated
09/21/2005	Yucaipa-Calimesa Joint USD	1,380,000	Sole	Negotiated
09/21/2005	Eastern Municipal Water District	6,000,000	Sole	Negotiated
09/21/2005	Eastern Municipal Water District	3,500,000	Sole	Negotiated
09/15/2005	Roseville, City of	21,720,000	co	Negotiated
09/14/2005	Santa Ana Unified School District	11,785,000	Sole	Negotiated
09/01/2005	Piedmont City of	668,420	Sole	Negotiated
08/31/2005	Stockton Public Financing Authority	16,680,000	co	Negotiated
08/31/2005	Stockton Public Financing Authority	1,355,000	CO	Negotiated
08/25/2005	Temecula Valley Unified School District	12,940,000	Sole	Negotiated
08/24/2005	Roseville, City of	57,905,000	CO	Negotiated
08/24/2005	Temecula Public Financing Authority	3,865,000	Sole	Negotiated
08/18/2005	Fontana Public Financing Authority	28,020,000	Sole	Negotiated
08/18/2005	Fontana Public Financing Authority	2885,000	Sole	Negotiated
08/17/2005	Eastern Municipal Water District	4,700,000	Sole	Negotiated
08/10/2005	Oxnard Financing Authority	2,355,000	Sole	Negotiated
08/10/2005	Oxnard Financing Authority	5,180,000	Sole	Negotiated
08/09/2005	Vacaville, City of	6,755,000	Sole	Negotiated
08/04/2005	Seal Beach, City of	3,985,000	Sole	Negotiated
08/04/2005	Victorville, City of	3,245,000	Sole	Negotiated
08/04/2005	Cathedral City, City of	33,847,337	Sole	Negotiated
08/04/2005	Roseville, City of	37,350,000	Lead	Negotiated
08/03/2005	Menifee Union School District	4,480,000	Sole	Negotiated
08/02/2005	Palmdale, City of	8,675,000	Sole	Negotiated
08/02/2005	Palmdale, City of	3,436,684	PA	Private Placement
08/02/2005	Palmdale, City of	1,460,000	PA	Private Placement

City of Lodi Water Treatment Plant Financing

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07/29/2005	Stockton, City of	28,350,000	Lead	Negotiated
07/28/2005	Victorville, City of	7,935,000	Sole	Negotiated
07/26/2005	San Francisco Redevelopment Agency	15,160,000	Lead	Negotiated
07/26/2005	San Francisco Redevelopment Agency	5,708,939	Lead	Negotiated
07/21/2005	Fremont City of	38,000,000	Sole	Negotiated
07/20/2005	Long Beach Bond Finance Authority	2,100,000	Sole	Negotiated
07/19/2005	Rancho California Water District	15,370,000	Sole	Negotiated
07/19/2005	Rancho California Water District	5,125,000	Sole	Negotiated
07/14/2005	Menifee Union School District	2,580,000	Sole	Negotiated
07/11/2005	Palm Springs, City of	3,806,000	Sole	Negotiated
06/28/2005	Bakersfield, City of	3,380,000	Sole	Negotiated
06/23/2005	San Jacinto Unified School District	1,800,000	Sole	Negotiated
06/16/2005	Poway Unified School District	9,035,000	Sole	Negotiated
06/16/2005	Poway Unified School District	13,475,000	Sole	Negotiated
06/09/2005	San Jacinto Unified School District	3,675,000	Sole	Negotiated
06/09/2005	Murrieta Valley Unified School District	2,880,000	Sole	Negotiated
06/08/2005	Sacramento, City of	35,460,000	Sole	Negotiated
06/01/2005	Rocklin, City of	25,000,000	Sole	Negotiated
05/25/2005	Romoland School District	5,935,000	Sole	Negotiated
05/12/2005	Hesperia Unified School District	1,565,000	Sole	Negotiated
05/12/2005	Vacaville, City of	7,275,000	Sole	Negotiated
05/11/2005	Sacramento, County of	11,525,000	Sole	Negotiated
04/28/2005	Fullerton Joint Union HSD	2,050,000	Sole	Negotiated
04/20/2005	San Francisco Redevelopment Agency	34,500,000	Lead	Negotiated
04/20/2005	Menifee Union School District	2,460,000	Sole	Negotiated
04/06/2005	Etiwanda School District	6,815,000	Sole	Negotiated
03/24/2005	Etiwanda School District	10,000,000	Sole	Negotiated
03/24/2005	Lake Elsinore Unified School District	9,645,000	Sole	Negotiated
03/10/2005	Sweetwater Union HSD PFA	15,180,000	Lead	Competitive
03/01/2005	Temecula Valley Unified School District	11,000,000	Sole	Negotiated
02/23/2005	Palmdale, City of	28,500,000	Lead	Negotiated
02/17/2005	Simi Valley, City of	8,800,000	Sole	Negotiated
02/17/2005	Carlsbad, City of	33,085,000	Sole	Negotiated
02/03/2005	Menifee Union School District	23,150,000	Sole	Negotiated
01/01/2005	Orange, County of	75,645,000	Sole	Negotiated
01/27/2005	Menifee Union School District	4,160,000	Sole	Negotiated
01/27/2005	Saugus Union School District	3,810,000	Sole	Negotiated
01/27/2005	William S. Hart Union HSD	5,690,000	Sole	Negotiated
01/26/2005	Rio Vista, City of	15,585,000	Sole	Negotiated

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239 Transactions Totaling \$3.3 Billion Par Value

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A RESOLUTION OF THE LODI CITY COUNCIL DECLARING ITS  
INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM  
PROCEEDS OF INDEBTEDNESS

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WHEREAS, the City intends to design and construct a surface water treatment plant and related appurtenances (the "Project"); and

WHEREAS, the City expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project prior to the issuance of bonded indebtedness for the purpose of financing costs associated with the Project; and

WHEREAS, the City reasonably expects that debt obligations will be issued in connection with the project and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, proceeds of such debt obligations will be allocated to reimburse expenditures no later than 18 months after the later of (i) the date the cost is paid, or (ii) the date the Project is placed in service or abandoned (but in no event more than three years after the cost is paid).

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council as follows:

Section 1. The City finds and determines that the foregoing recitals are true and correct.

Section 2. The City hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 3. This declaration is made solely for the purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the City to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 4. This resolution shall take effect from and after its adoption.

Dated: January 6, 2010

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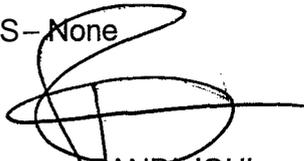
I hereby certify that Resolution No. 2010-01 as passed and adopted by the City Council of the City of Lodi in a regular meeting held January 6, 2010, by the following votes:

AYES: COUNCIL MEMBERS – Hansen, Johnson, and Mayor Katzakian

NOES: COUNCIL MEMBERS – Mounce

ABSENT: COUNCIL MEMBERS – Hitchcock

ABSTAIN: COUNCIL MEMBERS – None

  
RANDI JOHL  
City Clerk