

OFFICIAL NOTICE OF SALE

\$9,580,000*

**LAGUNA BEACH COUNTY WATER DISTRICT PUBLIC FINANCING AUTHORITY
Water Revenue Bonds, Series 2024**

Date of Sale
Wednesday, November 13, 2024
on BiDCOMP™/Parity®
8:30 a.m. Pacific Daylight Time
For further information, please contact:

NHA Advisors, LLC
4040 Civic Center Drive, Suite 200 San Rafael, CA 94903

Attn: Leslie Bloom
Phone: (415) 785-2025 ext. 2009
Email: leslie@nhaadvisors.com

*Preliminary, subject to change

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LAGUNA BEACH COUNTY WATER DISTRICT PUBLIC FINANCING AUTHORITY WATER REVENUE BONDS, SERIES 2024

NOTICE IS HEREBY GIVEN that all-or-none bids will be received by the Laguna Beach County Water District Public Financing Authority (the “Authority”) for the purchase of \$9,580,000* aggregate principal amount designated “Laguna Beach County Water District Public Financing Authority Water Revenue Bonds, Series 2024” (the “Bonds”). All bids must be submitted on BiDCOMP™/Parity® by 8:30 a.m. (PDT) on Wednesday, November 13, 2024.

Bids for the purchase of the Bonds will be received and considered subject to the terms and conditions described herein.

Right to Change Timing and Terms of Sale. The Authority reserves the right to amend this Official Notice of Sale at any time prior to the date and time for receipt of bids by publishing the amendments on the Amendments Page of Parity®

Issue. \$9,580,000* Water Revenue Bonds, Series 2024, bearing interest from the Date of Delivery, which is anticipated to be on or about Tuesday, November 26, 2024, in full book-entry only form in denominations of \$5,000 and any integral multiple thereof, maturing through May 1, 2054 as shown under “Maturities” on the following page. The Bonds are subject to optional redemption prior to maturity. Prospective bidders should note that the terms of sale permit adjustment of individual maturities. See “Terms of Sale” herein.

Interest Rate. Interest will be calculated on the basis of a 360-day year composed of twelve (12) 30-day months. The Bonds shall bear interest from their date at a rate or rates to be determined at the sale thereof. Interest on the Bonds shall be payable semi-annually on May 1 and November 1 of each year (the “Interest Payment Dates”) commencing May 1, 2025. Bidders may specify any number of separate interest rates, and any rate may be repeated as often as desired; provided, however:

- (i) an interest rate on any single maturity may not exceed six percent (6%) per annum;
- (ii) each interest rate specified must be in a multiple of 1/20 or 1/8 of 1 percent;
- (iii) the true interest cost to maturity on the Bonds shall not exceed 5.00%;
- (iv) a zero rate of interest cannot be specified;
- (v) each Bond shall bear interest from its dated date to its stated maturity date at the interest rate specified in the bid;
- (vi) all Bonds of the same maturity shall bear the same rate of interest; and

*Preliminary, subject to change.

(vii) no bid will be accepted which provides for the cancellation and surrender of any interest payment or for the waiver of interest or other concession by the bidder as a substitute for payment in full of the purchase price of the Bonds.

Bids which do not conform to the terms of this paragraph will be rejected

Payment. Principal of and interest on the Bonds will be payable through U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”), in lawful money through the facilities of The Depository Trust Company, or its nominee.

Purpose of Issue. The proceeds of the sale of the Bonds will be used to (i) finance capital projects in the Laguna Beach County Water District (the “Water District”) to be used for municipal purposes; and (ii) pay certain costs of issuance of the Bonds.

Denomination. The Bonds will be executed and delivered in fully registered form without coupons, in the denominations of \$5,000 each or any integral multiple thereof within a maturity, and numbered consecutively upward in order of authentication.

Date of Bonds. The Bonds will be dated the Date of Delivery, which is anticipated to be on or about Tuesday, November 26, 2024.

Maturities¹. The Bonds will mature on the dates and in the amounts shown below subject to adjustments as described under the caption “Adjustment of Principal Amounts.”

Maturity May 1	Principal Amount⁽²⁾	Maturity May 1	Principal Amount⁽²⁾
2025	\$65,000	2040	\$315,000
2026	160,000	2041	330,000
2027	170,000	2042	340,000
2028	175,000	2043	355,000
2029	185,000	2044	370,000
2030	195,000	2045	385,000
2031	205,000	2046	400,000
2032	215,000	2047	415,000
2033	225,000	2048	435,000
2034	235,000	2049	450,000
2035	250,000	2050	470,000
2036	260,000	2051	490,000
2037	275,000	2052	515,000
2038	285,000	2053	540,000
2039	300,000	2054	570,000

Adjustment of Principal Amounts. The principal amounts set forth in this Official Notice of Sale reflect certain estimates of the Authority and its Municipal Advisor with respect to the likely interest rates of the winning bid and the premium/discount contained in the winning bid.

¹ Preliminary, subject to change. See also “Adjustment of Principal Amounts” herein.

² These maturities may be combined into one or more term bonds at the option of the successful bidder.

Subsequent to the adjustment of principal payments, the dollar amount of the purchase price will be changed so that the net compensation to the winning bidder (expressed as a percentage of the aggregate principal amount of Bonds) does not increase or decrease from what it would have been if no adjustment had been made to the principal amounts, taking into consideration the reoffering yields for the different maturities. In the event of such adjustment, no rebidding or recalculation of bids submitted will be required or permitted.

The total principal amount of the Bonds and the principal amounts payable in each of the years set forth above are subject to adjustment in \$5,000 increments to reflect the actual interest rates and any premium/discount contained in the winning bid, and to maintain substantially level annual debt service payments on the Bonds. The successful bidder will be promptly notified of any adjustment in principal amounts. *A successful bidder may not withdraw its bid as a result of any changes made within these limits.*

Optional Redemption. Bonds maturing on or before May 1, 2034 are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after May 1, 2035, shall be subject to redemption at the option of the Authority, as a whole or in part, on any date on or after May 1, 2034, from any available source of funds, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption without premium.

Mandatory Sinking Fund Redemption. If the successful bidder (the “Purchaser”) designates principal amounts of the Bonds to be combined into one or more term bonds, each such term bond shall be subject to mandatory redemption prior to maturity in part by lot from monies required to be deposited by the Authority in the Sinking Account established for the Bonds at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption, without premium.

Book-Entry Only. The Bonds when issued will be registered in the name of CEDE & CO., as nominee of The Depository Trust Company, New York, New York, and will be initially issued as one bond for each of the maturities of the Bonds. Payments of principal and interest will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Security. The Bonds are payable from Revenues received by the Authority, consisting principally of Installment Payments made by the Water District pursuant to an Installment Purchase Agreement, dated as of November 1, 2024, between the Authority and the Water District. *See the Preliminary Official Statement for a description of Revenues and the Security for the Bonds.*

THE BONDS ARE NOT A DEBT, OBLIGATION OR LIABILITY OF THE WATER DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS (OTHER THAN THE AUTHORITY), NOR DO THEY CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF ANY OF THE FOREGOING (INCLUDING THE AUTHORITY AND THE WATER DISTRICT). THE AUTHORITY DOES NOT HAVE ANY TAXING POWER. THE WATER DISTRICT’S OBLIGATION TO MAKE INSTALLMENT PAYMENTS IS AN OBLIGATION PAYABLE FROM NET REVENUES OF THE WATER SYSTEM. THE OBLIGATION OF THE WATER DISTRICT TO MAKE INSTALLMENT PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE WATER DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION OR ANY OBLIGATION FOR WHICH THE WATER DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION, OR FOR WHICH THE WATER DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Ratings. Standard & Poor’s Financial Services LLC (“S&P”) has assigned a rating of “AA”, to the Bonds. The ratings reflect only the views of the respective rating organization, and an explanation of the

significance of such ratings may be obtained from such organizations. There is no assurance that the ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies that issued them, if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Municipal Bond Insurance. Bids involving municipal bond insurance will not be accepted.

Legal Opinion. The legal opinion of Best Best & Krieger LLP, Riverside, California, Bond Counsel, approving the validity of the Bonds and stating that interest with respect to the Bonds is excludable from gross income under Section 103 of the Code (as defined in the Official Statement) and such interest is also exempt from personal income taxes of the State of California under present State income tax laws, will be furnished to the Purchaser at the time of delivery of the Bonds at the expense of the Authority. A copy of such opinion, certified by an officer of the Authority at the time of delivery by his or her facsimile signature, will be printed on the back of or delivered with each Bond. No charge will be made to the Purchaser for such opinion, printing or certification.

Delivery of Securities. Delivery of the Bonds will be made to the Purchaser at The Depository Trust Company in New York, New York (or at any other mutually agreeable location) on or about Tuesday, November 26, 2024. Payment must be made in cash, Federal Reserve Bank funds, or other immediately available funds.

CUSIP Numbers. It is anticipated that CUSIP identification numbers will be assigned to the Bonds. Pursuant to MSRB Rule G-34, the Authority's Municipal Advisor will apply for CUSIP number assignment prior to the sale of the Bonds, but the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the Purchaser. Neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale.

California Debt and Investment Advisory Commission Fee. Bidders are advised that, pursuant to Section 8856 of the California Government Code, it will be the responsibility of the Purchaser to pay the statutory fee to the California Debt and Investment Advisory Commission.

No Litigation Certificate. At the time of delivery of the Bonds, the Purchaser will receive a certificate of the Authority to the effect that there is no litigation pending or, to the best of such officer's knowledge, threatened against the Authority affecting the validity of the Bonds.

Continuing Disclosure. In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the Water District will undertake, pursuant to a Continuing Disclosure Agreement, to provide annual reports and notices of certain events by not later than nine (9) months after the end of their fiscal year (presently June 30) in each year, commencing April 1, 2025. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Purchaser's Closing Certificate. The Purchaser must deliver such certificates to the Authority as may be required by Bond Counsel dated the date of execution and delivery of the Bonds, indicating (among other matters): (i) receipt of the Bonds; (ii) the initial offering price at which not less than ten percent (10%) of each maturity of the Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity District of underwriters or wholesalers); (iii) the "yield" on the Bonds as calculated in accordance with the Internal Revenue Code of 1986, as amended; and (iv) such other information as may be required to assist the Authority in filing the required Internal Revenue Service Form 8038-G for the Bonds.

Preliminary Official Statement and Final Official Statement. The Preliminary Official Statement, dated November 5, 2024 distributed in connection with the sale of the Bonds, as the same may be supplemented on or prior to the bid date (the “Preliminary Official Statement”), has been deemed final by the Authority for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), but is subject to revision, amendment and completion in a final Official Statement (the “Official Statement”) as provided in the Rule. Within seven (7) business days after the award of the bid, the Authority will furnish to the Purchaser, at no charge, an electric copy of the Official Statement, and up to 10 printed copies of the Official Statement upon request. Additional copies will be available at the expense of the Purchaser. The Preliminary Official Statement may also be viewed on Parity®.

TERMS OF SALE

Form of Bid. Bids may be submitted electronically only, through the Parity® website until 8:30 a.m., Pacific time on Wednesday, November 13, 2024 (or at such other time and date as may be specified on the Parity® website or via Bloomberg Financial Markets or Thomas Municipal Services).

The use of Parity® is at the bidder’s risk and expense, and neither the Authority, the Municipal Advisor nor Bond Counsel has any liability with respect thereto.

Bidding Details. All bids must be unconditional and submitted on the Parity® website. No facsimile, personal delivery bids or bids delivered by any other method will be accepted. Bidders are permitted to submit bids for the Bonds only in the all-or-none format. Bids submitted in the maturity-by-maturity format will not be entertained.

Multiple Bids. Bidders may change and submit bids as many times as they like during the auction, so long as each submitted bid, when compared to the immediately preceding bid of the bidder, results in a lower true interest cost. The last bid submitted before the end of the auction will be compared to all other final bids to determine the winning bidder.

Cancellation or Postponement of Sale. The Authority reserves the right, in its sole discretion, at any time to cancel or postpone the public sale of the Bonds. In such event, the Authority will cause notice of cancellation or postponement to be communicated through the Parity® website or through Bloomberg Financial Markets or Thomson Municipal Services as promptly as practicable. However, no failure to publish such notice or any defect or omission therein will affect the cancellation or postponement of the public sale of the Bonds. In the event of postponement, any alternative sale date will be announced through the Parity® website or through Bloomberg Financial Markets or Thomson Municipal Services by 10:00 a.m. Pacific Time on the business day prior to such alternative sale date. On any such alternative sale date, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of this Official Notice of Sale, except of the date of sale and except for the changes announced through the Parity® website or through Bloomberg Financial Markets or Thomson Municipal Services at the time the sale date and time are announced.

Verification. Bidders bidding through Parity® should verify the accuracy of their final bids. The Authority has the absolute right, in its sole discretion, to deem final each bid as reported by Parity to be accurate and binding on the bidder immediately after the deadline for receipt of bids.

Determination of Best Bid: The Bonds will be awarded to the bidder whose proposal produces the lowest true interest cost, determined as hereinafter described. The true interest cost specified in any bid will be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on all Bonds from the date of original delivery thereof (assumed for computational purposes to be Tuesday, November 26, 2024), to their respective maturity dates or mandatory sinking fund prepayment

dates, produces an amount equal to the purchase price specified in such bid. For purposes of computing the true interest cost represented by any proposal, the purchase price specified in such proposal will be equal to the par amount of the Bonds less any discount or plus any premium specified in such proposal, and the true interest cost will be calculated by the use of a semiannual interval of compounding interest based on the interest payment dates (each May 1 and November 1, commencing May 1, 2025) for the Bonds.

Prices. Bidders may bid to purchase the Bonds at a discount or with a premium; however, no bid will be considered if the bid is to purchase the Bonds at an aggregated price less than 98%.

Right of Rejection. The Authority reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

Prompt Award. The Authority will take action awarding the Bonds or rejecting all bids not later than 24 hours after the hour designated above for the opening of bids, unless such time of award is waived by the Purchaser.

Delivery and Payment. It is estimated that delivery of the Bonds will be made to the Purchaser on or about Tuesday, November 26, 2024. Payment of the purchase price must be made in funds immediately available to the Authority.

Right of Cancellation. The Purchaser will have the right at its option to withdraw its bid if the Bonds are not executed and tendered for delivery within sixty (60) days from the date of sale thereof.

Good Faith Deposit. No good faith deposit is required.

Certificate Regarding Reoffering. The Purchaser shall advise the Authority no later than one hour after award of the bid of such information regarding the reoffering price or prices at which the Bonds are reoffered to the general public as shall enable the Authority to comply with the Internal Revenue Code of 1986 and to make any adjustments in the principal amount of the Bonds as described under "Adjustments of Principal Amounts."

Underwriting Group. Each bidder is requested to furnish the names of all joint managers participating in the bid. The Purchaser will be required to submit a list of all syndicate members in addition to the managers not later than 24 hours after receiving a verbal award.

Additional Information Available. Requests for copies of the Official Statement pertaining to the Bonds, the Official Notice of Sale, or for other information concerning the Authority or the Bonds should be addressed to the Authority's Municipal Advisor: NHA Advisors, LLC., 4040 Civic Center Drive, Suite 200 San Rafael, CA 94903, Attn: Leslie Bloom, Phone: (415) 785-2025 ext 2009, Email: leslie@nhaadvisors.com.

LAGUNA BEACH COUNTY WATER DISTRICT
PUBLIC FINANCING AUTHORITY

By /s/ Keith Van Der Maaten
Executive Director