

Contracts. The term “Contracts” means and is limited to: (1) this Agreement and any amendments and supplements hereto; and (2) all contracts of the District hereto or hereafter authorized the Parity Payments with respect to which are payable from Net Revenues on a parity with the Refinancing Payments and which are secured by a pledge and lien on the Revenues as described in Section 5.01 hereof. As of the date of execution of this Agreement, there are no Contracts outstanding; but excluding in all cases contracts entered into for operation and maintenance of the Wastewater System.

Date of Operation. The term “Date of Operation” means, with respect to any uncompleted Parity Project, the estimated date by which such Parity Project will have been completed and, in the opinion of an engineer, will be ready for operation by or on behalf of the District.

Debt Service. The term “Debt Service” means, for any period of calculation, the sum of:

(1) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(2) that portion of the principal amount of all outstanding serial Bonds maturing in such period or maturing in the next succeeding period accruing during such period, in each case computed as if such principal amounts were deemed to accrue daily during such period in equal amounts;

(3) that portion of the principal amount of all outstanding term Bonds required to be prepaid or paid in such period or during the next succeeding period in each case computed as if such principal amounts were deemed to accrue daily during such period in equal amounts; and

(4) that portion of the Contracts required to be made during such period or during the next succeeding period, in each case computed as if such payments on such Contracts were deemed to accrue daily during such period in equal amounts (except to the extent that the interest portion of such Contracts is capitalized);

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall be the greater of: (a) the actual interest rate on such Bonds or Contracts on the date of calculation, or if the indebtedness is not yet outstanding, the initial interest rate (if established and binding); (b) if the Bonds or Contracts have been outstanding for at least twelve months, the average rate over the twelve calendar months immediately preceding the date of calculation; and (c) (i) if interest on the indebtedness is excludable from gross income under the applicable provisions of the Code, the most recently published Securities Industry and Financial Markets Association Index for tax-exempt variable rate obligations; or (ii) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus 50 basis points; provided, however, that for purposes of any portion of Section 5.03 (Additional Contracts and Bonds) and Section 6.13 (Amount of Rates and Charges), measuring actual debt service coverage during a test period, variable rate indebtedness shall be deemed to bear interest at the actual rate per annum applicable during the test period; and

Escrow Cost

Forestville Water District

2022 Refunding (USDA Loans 92-01, 92-03, & 92-04

Private Placement

<i>Purchase Date</i>	<i>Cost of Securities</i>	<i>Cash Deposit</i>	<i>Total Escrow Cost</i>
8/1/2022		2,046,700.00	2,046,700.00
		2,046,700.00	2,046,700.00

Escrow Requirements
Forestville Water District
Refunding (USDA Loans 92-01, 92-03, &
Private Placement

<i>Period</i>	<i>Principal</i>	
<i>Ending</i>	<i>Redeemed</i>	<i>Total</i>
8/1/2022	2,046,700.00	2,046,700.00
	2,046,700.00	2,046,700.00

Cost of Issuance
Forestville Water District
2022 Refunding (USDA Loans 92-01, 92-03, & 92-04)
Private Placement

<i>Cost of Issuance</i>	<i>\$/1000</i>	<i>Amount</i>
Placement Agent	10.57977	22,500.00
Municipal Advisor	10.57977	22,500.00
Bond Counsel	10.57977	22,500.00
Lender's Legal Counsel	4.70212	10,000.00
CDIAC	0.25000	531.68
Miscellaneous	0.92553	1,968.32
	37.61697	80,000.00

Prior Bond Debt Service
Forestville Water District
2022 Refunding (USDA Loans 92-01, 92-03, & 92-04)
Private Placement
USDA Loan 92-04 (9204)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
2/1/2023			3,301.25	3,301.25	
8/1/2023	4,600	4.750%	3,301.25	7,901.25	11,202.50
2/1/2024			3,192.00	3,192.00	
8/1/2024	4,800	4.750%	3,192.00	7,992.00	11,184.00
2/1/2025			3,078.00	3,078.00	
8/1/2025	5,000	4.750%	3,078.00	8,078.00	11,156.00
2/1/2026			2,959.25	2,959.25	
8/1/2026	5,300	4.750%	2,959.25	8,259.25	11,218.50
2/1/2027			2,833.38	2,833.38	
8/1/2027	5,500	4.750%	2,833.38	8,333.38	11,166.76
2/1/2028			2,702.75	2,702.75	
8/1/2028	5,800	4.750%	2,702.75	8,502.75	11,205.50
2/1/2029			2,565.00	2,565.00	
8/1/2029	6,100	4.750%	2,565.00	8,665.00	11,230.00
2/1/2030			2,420.13	2,420.13	
8/1/2030	6,400	4.750%	2,420.13	8,820.13	11,240.26
2/1/2031			2,268.13	2,268.13	
8/1/2031	6,700	4.750%	2,268.13	8,968.13	11,236.26
2/1/2032			2,109.00	2,109.00	
8/1/2032	7,100	4.750%	2,109.00	9,209.00	11,318.00
2/1/2033			1,940.38	1,940.38	
8/1/2033	7,400	4.750%	1,940.38	9,340.38	11,280.76
2/1/2034			1,764.63	1,764.63	
8/1/2034	7,800	4.750%	1,764.63	9,564.63	11,329.26
2/1/2035			1,579.38	1,579.38	
8/1/2035	8,200	4.750%	1,579.38	9,779.38	11,358.76
2/1/2036			1,384.63	1,384.63	
8/1/2036	8,600	4.750%	1,384.63	9,984.63	11,369.26
2/1/2037			1,180.38	1,180.38	
8/1/2037	9,000	4.750%	1,180.38	10,180.38	11,360.76
2/1/2038			966.63	966.63	
8/1/2038	9,500	4.750%	966.63	10,466.63	11,433.26
2/1/2039			741.00	741.00	
8/1/2039	9,900	4.750%	741.00	10,641.00	11,382.00
2/1/2040			505.88	505.88	
8/1/2040	10,400	4.750%	505.88	10,905.88	11,411.76
2/1/2041			258.88	258.88	
8/1/2041	10,900	4.750%	258.88	11,158.88	11,417.76
	139,000		75,501.36	214,501.36	214,501.36

Bond Debt Service
Forestville Water District
2022 Refunding (USDA Loans 92-01, 92-03, & 92-04)
Private Placement

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
2/1/2023	38,794	3.450%	36,685.58	75,479.58	
8/1/2023	38,794	3.450%	36,016.38	74,810.38	150,289.96
2/1/2024	40,298	3.450%	35,347.18	75,645.18	
8/1/2024	40,299	3.450%	34,652.04	74,951.04	150,596.22
2/1/2025	41,868	3.450%	33,956.88	75,824.88	
8/1/2025	41,869	3.450%	33,234.66	75,103.66	150,928.54
2/1/2026	43,501	3.450%	32,512.42	76,013.42	
8/1/2026	43,501	3.450%	31,762.03	75,263.03	151,276.45
2/1/2027	45,193	3.450%	31,011.64	76,204.64	
8/1/2027	45,193	3.450%	30,232.06	75,425.06	151,629.70
2/1/2028	46,942	3.450%	29,452.48	76,394.48	
8/1/2028	46,941	3.450%	28,642.73	75,583.73	151,978.21
2/1/2029	48,794	3.450%	27,833.00	76,627.00	
8/1/2029	48,794	3.450%	26,991.30	75,785.30	152,412.30
2/1/2030	50,646	3.450%	26,149.60	76,795.60	
8/1/2030	50,646	3.450%	25,275.96	75,921.96	152,717.56
2/1/2031	52,595	3.450%	24,402.32	76,997.32	
8/1/2031	52,596	3.450%	23,495.05	76,091.05	153,088.37
2/1/2032	54,689	3.450%	22,587.77	77,276.77	
8/1/2032	54,689	3.450%	21,644.39	76,333.39	153,610.16
2/1/2033	56,871	3.450%	20,701.00	77,572.00	
8/1/2033	56,871	3.450%	19,719.98	76,590.98	154,162.98
2/1/2034	59,086	3.450%	18,738.95	77,824.95	
8/1/2034	59,087	3.450%	17,719.72	76,806.72	154,631.67
2/1/2035	61,382	3.450%	16,700.47	78,082.47	
8/1/2035	61,382	3.450%	15,641.63	77,023.63	155,106.10
2/1/2036	63,804	3.450%	14,582.79	78,386.79	
8/1/2036	63,803	3.450%	13,482.17	77,285.17	155,671.96
2/1/2037	66,295	3.450%	12,381.57	78,676.57	
8/1/2037	66,294	3.450%	11,237.98	77,531.98	156,208.55
2/1/2038	68,950	3.450%	10,094.41	79,044.41	
8/1/2038	68,951	3.450%	8,905.02	77,856.02	156,900.43
2/1/2039	71,664	3.450%	7,715.61	79,379.61	
8/1/2039	71,665	3.450%	6,479.41	78,144.41	157,524.02
2/1/2040	74,482	3.450%	5,243.19	79,725.19	
8/1/2040	74,481	3.450%	3,958.37	78,439.37	158,164.56
2/1/2041	77,495	3.450%	2,673.58	80,168.58	
8/1/2041	77,495	3.450%	1,336.79	78,831.79	159,000.37
	2,126,700		799,198.11	2,925,898.11	2,925,898.11

Bond Debt Service
Forestville Water District
2022 Refunding (USDA Loans 92-01, 92-03, & 92-04)
Private Placement

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
8/1/2023	77,588	3.450%	72,701.96	150,289.96
8/1/2024	80,597	3.450%	69,999.22	150,596.22
8/1/2025	83,737	3.450%	67,191.54	150,928.54
8/1/2026	87,002	3.450%	64,274.45	151,276.45
8/1/2027	90,386	3.450%	61,243.70	151,629.70
8/1/2028	93,883	3.450%	58,095.21	151,978.21
8/1/2029	97,588	3.450%	54,824.30	152,412.30
8/1/2030	101,292	3.450%	51,425.56	152,717.56
8/1/2031	105,191	3.450%	47,897.37	153,088.37
8/1/2032	109,378	3.450%	44,232.16	153,610.16
8/1/2033	113,742	3.450%	40,420.98	154,162.98
8/1/2034	118,173	3.450%	36,458.67	154,631.67
8/1/2035	122,764	3.450%	32,342.10	155,106.10
8/1/2036	127,607	3.450%	28,064.96	155,671.96
8/1/2037	132,589	3.450%	23,619.55	156,208.55
8/1/2038	137,901	3.450%	18,999.43	156,900.43
8/1/2039	143,329	3.450%	14,195.02	157,524.02
8/1/2040	148,963	3.450%	9,201.56	158,164.56
8/1/2041	154,990	3.450%	4,010.37	159,000.37
	2,126,700		799,198.11	2,925,898.11

Savings
Forestville Water District
2022 Refunding (USDA Loans 92-01, 92-03, & 92-04)
Private Placement

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Annual Savings</i>	<i>Present Value to 08/01/2022 @ 3.4500002%</i>
2/1/2023	50,993.75	75,479.58	-24,485.83		-24,070.61
8/1/2023	115,093.75	74,810.38	40,283.37	15,797.54	38,928.74
2/1/2024	49,397.00	75,645.18	-26,248.18		-24,935.39
8/1/2024	116,997.00	74,951.04	42,045.96	15,797.78	39,265.71
2/1/2025	47,713.00	75,824.88	-28,111.88		-25,807.82
8/1/2025	119,013.00	75,103.66	43,909.34	15,797.46	39,626.96
2/1/2026	45,936.75	76,013.42	-30,076.67		-26,683.07
8/1/2026	121,136.75	75,263.03	45,873.72	15,797.05	40,007.59
2/1/2027	44,063.38	76,204.64	-32,141.26		-27,555.84
8/1/2027	123,363.38	75,425.06	47,938.32	15,797.06	40,402.28
2/1/2028	42,087.75	76,394.48	-34,306.73		-28,423.31
8/1/2028	125,687.75	75,583.73	50,104.02	15,797.29	40,807.52
2/1/2029	40,005.00	76,627.00	-36,622.00		-29,321.22
8/1/2029	128,205.00	75,785.30	52,419.70	15,797.70	41,257.86
2/1/2030	37,807.63	76,795.60	-38,987.97		-30,165.82
8/1/2030	130,707.63	75,921.96	54,785.67	15,797.70	41,670.03
2/1/2031	35,493.13	76,997.32	-41,504.19		-31,032.81
8/1/2031	133,393.13	76,091.05	57,302.08	15,797.89	42,118.39
2/1/2032	33,054.00	77,276.77	-44,222.77		-31,953.59
8/1/2032	136,354.00	76,333.39	60,020.61	15,797.84	42,633.05
2/1/2033	30,480.38	77,572.00	-47,091.62		-32,882.28
8/1/2033	139,480.38	76,590.98	62,889.40	15,797.78	43,168.61
2/1/2034	27,764.63	77,824.95	-50,060.32		-33,779.76
8/1/2034	142,664.63	76,806.72	65,857.91	15,797.59	43,686.09
2/1/2035	24,901.88	78,082.47	-53,180.59		-34,678.53
8/1/2035	146,001.88	77,023.63	68,978.25	15,797.66	44,217.28
2/1/2036	21,884.63	78,386.79	-56,502.16		-35,605.51
8/1/2036	149,584.63	77,285.17	72,299.46	15,797.30	44,787.77
2/1/2037	18,702.88	78,676.57	-59,973.69		-36,522.25
8/1/2037	153,302.88	77,531.98	75,770.90	15,797.21	45,359.84
2/1/2038	15,349.13	79,044.41	-63,695.28		-37,484.23
8/1/2038	157,349.13	77,856.02	79,493.11	15,797.83	45,987.85
2/1/2039	11,811.00	79,379.61	-67,568.61		-38,426.51
8/1/2039	161,511.00	78,144.41	83,366.59	15,797.98	46,606.91
2/1/2040	8,080.88	79,725.19	-71,644.31		-39,374.25
8/1/2040	165,880.88	78,439.37	87,441.51	15,797.20	47,241.15
2/1/2041	4,148.88	80,168.58	-76,019.70		-40,373.95
8/1/2041	170,648.88	78,831.79	91,817.09	15,797.39	47,937.01
	3,226,051.36	2,925,898.11	300,153.25	300,153.25	206,633.91

Savings Summary

PV of savings from cash flow	206,633.91

Net PV Savings	206,633.91

Summary of Refunding Results
Forestville Water District
2022 Refunding (USDA Loans 92-01, 92-03, & 92-04)
Private Placement

Dated Date	8/1/2022
Delivery Date	8/1/2022
Arbitrage yield	3.450000%
Escrow yield	
Value of Negative Arbitrage	
Bond Par Amount	2,126,700.00
True Interest Cost	3.450000%
Net Interest Cost	3.450000%
Average Coupon	3.450000%
Average Life	10.893
Par amount of refunded bonds	2,046,700.00
Average coupon of refunded bonds	4.983209%
Average life of refunded bonds	11.563
PV of prior debt to 08/01/2022 @ 3.450000%	2,333,333.91
Net PV Savings	206,633.91
Percentage savings of refunded bonds	10.095955%
Percentage savings of refunding bonds	9.716176%

- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District and its taxpayers and its customers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

B. Types of Debt

For purposes of this Debt Policy, “debt” shall be interpreted broadly to mean loans, bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

- General obligation bonds or voter-approved financings (GO Bonds)
- Bond, Tax Revenue or Grant anticipation notes (BANs, TRANs, GANs)
- lease revenue bonds or certificates of participation (LRB, COPs)
- state or federal loans (I-Bank, DWR SRF, WIFIA, USDA)
- loans and lines of credit with banks / financial institutions (private placements)
- refunding of any of the prior listed obligations or other long-term prior financial commitments

Debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

The District may contemplate the following elements of the debt structure:

Final Maturity - The final maturity of the debt shall not exceed, and preferably be less than, the remaining useful life of the assets being financed. To comply with Federal tax regulations, the average life of a financing shall not exceed 120% of the average life of the assets being financed.

Debt Service - Payments should be structured with level debt service payments over the life of the debt. The District may also structure the amortization of principal to wrap around existing obligations or backloaded to achieve other financial planning goals. In general, deferring the repayment of principal should be avoided except in select instances where it will take a period of time before project (dedicated) revenues are sufficient to pay debt service.

Lien - Senior and subordinate liens will be utilized in a manner that will maximize the most critical constraint, either cost or capacity, thus allowing for the most beneficial leverage of revenues.

Capitalized Interest - The District may elect to fund capitalized interest in connection with the construction of certain projects when revenues from the project will not be available until completion.

Reserve Funds – A debt service reserve fund (DSR) may be required for rating or marketing reasons. If available, a DSR can be funded with a surety policy. from 1) the proceeds of a debt issue or 2) the reserves of the District. A cash reserve fund will be invested pursuant to the investment restrictions associated with the respective financing documents. For each debt issue, staff will evaluate net borrowing cost of the financing with a DSR or surety policy, taking into consideration the investment of the DSR over the life of the issue.

Redemption Provisions – The District shall seek to structure each issue with an optional redemption or call provision, unless the final maturity is less than 10 years. Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable debt.

Ratings - The District's objective is to maintain or improve its credit ratings as a way of reducing financing costs. The General Manager shall be responsible for implementing and managing the District's credit rating agencies relations program. This effort shall include providing the rating agencies with the District's annual budget, financial statements, and other information they may request. Staff should coordinate periodic meetings with the rating agencies and communicate with them prior to each debt issuance.

Credit Enhancement – Bond insurance will be used when it provides an economic advantage to a particular debt maturity or the entire issue. The District will evaluate the availability and cost/benefit of credit enhanced debt versus unenhanced debt prior to issuing any debt.

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Method of Sale – Working in conjunction with its financial advisor, the District will select a method of sale: competitive sale, negotiated sale or private placement. The District will determine the most appropriate method taking into account size/structure/credit consideration, current capital market conditions, and other financial, transaction-specific and policy considerations.

Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

Variable Rate Debt – The District shall seek to utilize long-term fixed rate bonds. However, the District may consider issuing variable rate bonds. In managing its variable rate debt, staff will regularly monitor the market for credit enhancement, particularly liquidity facilities provided by credit enhancement providers and alternative variable rate products and the use of alternative variable rate instruments that do not require credit enhancement. The District should seek to diversify its exposure to banks when selecting institutions to provide liquidity or credit enhancement for variable rate debt.

Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

C. Relationship of Debt to Capital Improvement Program and Budget

The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall integrate its debt issuances with the goals of its budget (and capital improvement costs) by timing the issuance of debt to ensure that proceeds are available when needed in furtherance of the District's public purposes.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserve levels, and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect taxpayers, ratepayers, customers, and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the District to do so either for the purpose of realizing debt service savings or for the purpose of restructuring debt in a manner which is in the best financial interests of the District.

The refinancing of debt for the purpose of realizing debt service savings should seek to achieve a minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount. The 3.0% threshold should serve as a **guideline**; however, and not a hard rule. The District should take into consideration several factors, including unique financial circumstances or historically low interest rates, and limit term to maturity, when evaluating a refunding opportunity.

Moreover, the District may also decide to refinance outstanding bonds in order to meet certain policy/financial objectives, such as: removing restrictive covenants, reshaping debt profile or budgetary/cash flow relief.

E. Internal Control Procedures

Use of Financial Advisor – In accord with the Government Finance Officers Association (GFOA) recommendation, the District should retain an independent registered municipal advisor (financial advisor) when it is contemplating the issuance of bonds (during the initial planning phase). The financial advisor shall assist the District in evaluating all financing options, assembling the other members of the financing team and facilitate the bond issuance process. The financial advisor shall provide objective advice and analysis, maintain confidentiality of District financial plans, and fully disclose any potential conflicts of interest.

The District will comply with all financing covenants to maintain the validity of the issuance of debt, including, but not limited to tax-exemption, arbitrage rebate compliance, insurance provisions, reporting and monitoring requirements.

The District shall pay particular close attention (each year) to its annual debt service coverage level, which calculates the ratio of Net Revenues to the Annual Debt Service requirement (e.g., 120%).

The District will ensure compliance with all continuing disclosure requirements as part of its ongoing debt program. Any instance of noncompliance will be reported to the Board of Directors.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the District's investment policies as they relate to the investment of bond proceeds.

It is the policy of the District to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds.

The District shall seek to borrow tax-exempt proceeds that can be reasonably spent within the IRS spending requirement approximately 85% within 3 years.

The District will submit a requisition only after obtaining the signature of the General Manager. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the person performing the function of chief financial officer of the District shall retain records of all expenditures of proceeds through the final payment date for the debt.

The Board acknowledges that changes in the capital markets and other unexpected events may, from time to time, create situations and opportunities that are not contemplated by this Policy and may require adjustments or exceptions to the guidelines of the Policy. In such circumstances, the ability of the District to be flexible is important; however, any authorization granted by the Board to proceed with a financing or financial product not expressly permitted by the Policy must be accompanied by an acknowledgement of the Board that the actions to be taken by the District are not specifically authorized by the Policy in force at that time. The Policy shall be initially adopted by the Board and reviewed annually. Future updates to the Policy require the approval by the Board.