Not to Exceed
$10,100,000
CITY OF MOUNTAIN VIEW
2018 INSTALLMENT SALE AGREEMENT

CERTIFICATE OF COMPLIANCE WITH RATE COVENANT (FY 2023-24)
PACIFIC PREMIER BANK LOAN # 8400010122

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting Finance and Administrative Services Director of the City of Mountain View, a charter city and municipal corporation duly organized and existing under the Constitution and the laws of the State of California (the "City") and as such, am familiar with the facts herein certified and am authorized to certify the same.

(ii) I am an "Authorized Representative," as such term is defined in that certain Installment Sale Agreement, dated as of November 1, 2018 (the "Installment Sale Agreement"), by and between the City and City of Mountain View Capital Improvements Financing Authority ("Financing Authority").

(iii) Pursuant to an Assignment Agreement dated as of November 1, 2018, between the Financing Authority and Opus Bank (the "Assignee"), the Financing Authority assigned to Assignee its right to receive installment payments made by the City to the Financing Authority under the Installment Sale Agreement.

(iv) Under Section 5.14(c) of the Installment Sale Agreement, the City is required to file with the Assignee a Certificate of the City stating that it is in compliance with the covenants set forth in Section 5.6 of the Installment Sale Agreement relating to the rates and charges for the Wastewater System for each Fiscal Year, by no later than the April 1 that immediately succeeds the close of such Fiscal Year.

(v) The City hereby certifies that it is in compliance with the covenants set forth in Section 5.6 of the Installment Sale Agreement relating to the rates and charges for the Wastewater System for Fiscal Year 2023-24, as follows:

(A) For Fiscal Year 2023-24, the rates, fees and charges charged by the City for the services and facilities furnished by the Wastewater System during Fiscal Year 2023-24 were at least sufficient to yield Gross Revenues (excluding any amounts derived from the Rate Stabilization Fund) that were sufficient to pay (i) all Operation and Maintenance Costs that were due and payable in Fiscal Year 2023-24, (ii) all Installment Payments and all payments of principal of and interest on any Parity Debt that were due and payable during Fiscal Year 2023-24, and (iii) all payments required to meet any other obligations of the City which were charges, liens, encumbrances upon, or which were otherwise payable from, the Gross Revenues or the Net Revenues during Fiscal Year 2023-24.

(B) For Fiscal Year 2023-24, the rates, fees and charges charged by the City for the services and facilities furnished by the Wastewater System during Fiscal Year 2023-24 were at least sufficient, after making allowances for contingencies and error in the estimates, to yield Net Revenues which were at least equal to 125% of the aggregate amount of the Installment Payments and payments on Parity Debt coming due in Fiscal Year 2023-24.

Capitalized terms used herein but not defined have the meaning given them in the Installment Sale Agreement.

Dated: 1/17/25

CITY OF MOUNTAIN VIEW

By: _____

Derek Rampone
Finance and Administrative
Services Director

MOUNTAIN VIEW WASTEWATER SYSTEM
PRO FORMA CASH FLOW
ESTIMATED DEBT SERVICE COVERAGE SCHEDULE
($000)

	Audited 2023-24	Adopted 2024-25	Projected 2025-26	Projected 2026-27
Gross Revenues:				
Charges for sales and services	$ 32,225	32,663	34,459	36,355
Other charges for services	98	15	15	15
Interest earnings (1)	1,769	1,250	1,486	1,756
Other (2)	3,534	519	519	519
Total Operating Revenues	37,626	34,447	36,479	38,645
Maintenance and Operations:				
Operating expenses (3)	8,596	9,393	10,086	10,438
Cost of wastewater treatment (4)	12,536	16,498	14,140	14,697
Total Operating Expenses	21,132	25,891	24,226	25,135
Net Revenues Pledged	$ 16,494	8,556	12,253	13,510
Treatment Plant Debt	974	624	624	624
Future Treatment Plant Debt Est (5)	2,345	2,700	355	769
Pacific Premier Bank Loan	851	852	853	853
Total Debt	4,170	4,176	1,832	2,246
Debt Service Coverage Ratio	396%	205%	669%	602%

(1) Interest earnings does not include unrealized gains/losses.
(2) Other revenues include capacity fees, development impact fees, grants, donations, transfers in and other miscellaneous revenue.
(3) Includes transfers out.
(4) ACFR includes the City's share of debt issued by the City of Palo Alto.
(5) Maximum additional debt estimate $6.1M beginning 2033-34. Total 20% rate increase was complete in FY2023-24. Additional 2% annual rate increases approved for up to another five years to be completed in FY 2028-29.

Source: City of Mountain View

Assumptions: In preparing the projections set forth above, the City assumes annual increases in wastewater rates, Treatment Plant costs, inflationary costs, and other one-time costs.