

# CAMBRIA COMMUNITY SERVICES DISTRICT

## WASTEWATER REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2022A



Financing Results

November 17, 2022

# Schedule of Events

Date	Event
September 27, 2022	Distribute Preliminary Official Statement to Investors
September 27th - October 3rd	Marketing of Bonds to Potential Investors
October 3rd 3:00pm PDT	Preliminary Pricing Call (ZOOM)
October 4th Approx. 7:00am - 8:30am PDT 10:00am PDT	Order Period Final Pricing Call (ZOOM)
October 20th	Close Financing

# Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 27, 2022

NEW ISSUE  
BOOK-ENTRY-ONLY

INSURED RATING: S&P Global Ratings: "AA"  
UNDERLYING RATING: S&P Global Ratings: "A-"  
INSURANCE: ASSURED GUARANTY MUNICIPAL CORP.  
(See "RATINGS" herein.)

*In the opinion of Kutak Rock LLP, Irvine, California, Special Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, the portion of each Installment Payment designated as and representing interest and received by the Owners of the Certificates (the "Interest Portion") (including any original issue discount properly allocable to the owner of a Certificate) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. For tax years beginning after December 31, 2022, interest on the Certificates may affect the federal alternative minimum tax imposed on certain corporations. Special Counsel is also of the opinion that the Interest Portion is exempt from State of California personal income taxes. For a more detailed description of such opinions of Special Counsel, see "TAX EXEMPTION" herein.*



\$12,225,000\*  
Cambria Community Services District  
Wastewater Revenue Certificates of Participation  
Series 2022A

Dated: Date of Delivery

Due: September 1, as shown on the inside cover

The Cambria Community Services District Wastewater Revenue Certificates of Participation, Series 2022A (the "Certificates") are being executed and delivered, among other things, to finance the acquisition, construction and improvement of certain facilities and equipment for the wastewater system of the Cambria Community Services District (the "District"). The Certificates are being executed and delivered as fully registered certificates in book-entry form only, initially registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the Certificates will be in the denomination of \$5,000 each or any integral multiple thereof. Interest due with respect to the Certificates is payable semiannually on March 1 and September 1, commencing March 1, 2023. Interest and principal with respect to the Certificates shall be payable by The Bank of New York Mellon Trust Company, N.A., San Francisco, California, as trustee (the "Trustee") to DTC. See "APPENDIX E—Book-Entry-Only System."

The Certificates will be executed and delivered pursuant to a Trust Agreement, dated as of October 1, 2022 (the "Trust Agreement"), by and among the Trustee, the CSDA Finance Corporation (the "Corporation") and the District. The Certificates evidence undivided fractional interests of the owners thereof in Installment Payments (as defined herein) to be made by the District under an Installment Purchase Contract, dated as of October 1, 2022 (the "Installment Purchase Contract") between the District and the Corporation, in the proportions indicated herein under the heading "SCHEDULE OF INSTALLMENT PAYMENTS." The Installment Payments will be secured by a pledge of and charge and first priority lien upon, all of the Net Revenues (as defined herein).

#### THE CERTIFICATES ARE SUBJECT TO PREPAYMENT PRIOR TO MATURITY AS DESCRIBED HEREIN.

The obligation of the District to make the Installment Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. Neither the Certificates nor the obligation of the District to make Installment Payments constitute a debt of the District, the Corporation, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. THE CORPORATION IS NOT LIABLE TO MAKE THE INSTALLMENT PAYMENTS.

The scheduled payment of principal and interest represented by the Certificates when due will be guaranteed under an insurance policy to be issued concurrently with the execution and delivery of the Certificates by Assured Guaranty Municipal Corp. See "CERTIFICATE INSURANCE."



This cover page contains certain information for quick reference only and is not a summary of the transaction. Investors must read the entire Official Statement, including the section entitled "CERTAIN RISK FACTORS FOR THE CERTIFICATES," to obtain information essential to the making of an informed investment decision.

*The Certificates are offered when, as and if delivered and received by the Underwriter, subject to approval by Kutak Rock LLP, Irvine, California, Special Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by Carmel & Naccasha LLP, San Luis Obispo, California, District Counsel. Certain legal matters will be passed upon for the Underwriter by Quint & Thimmig LLP, Larkspur, California, Underwriter's Counsel. It is anticipated that the Certificates will be available for delivery through DTC in New York, New York, on or about October 20, 2022.*

BRANDIS TALLMAN  
A DIVISION OF OPPENHEIMER & CO., INC.

Dated: \_\_\_\_\_, 2022

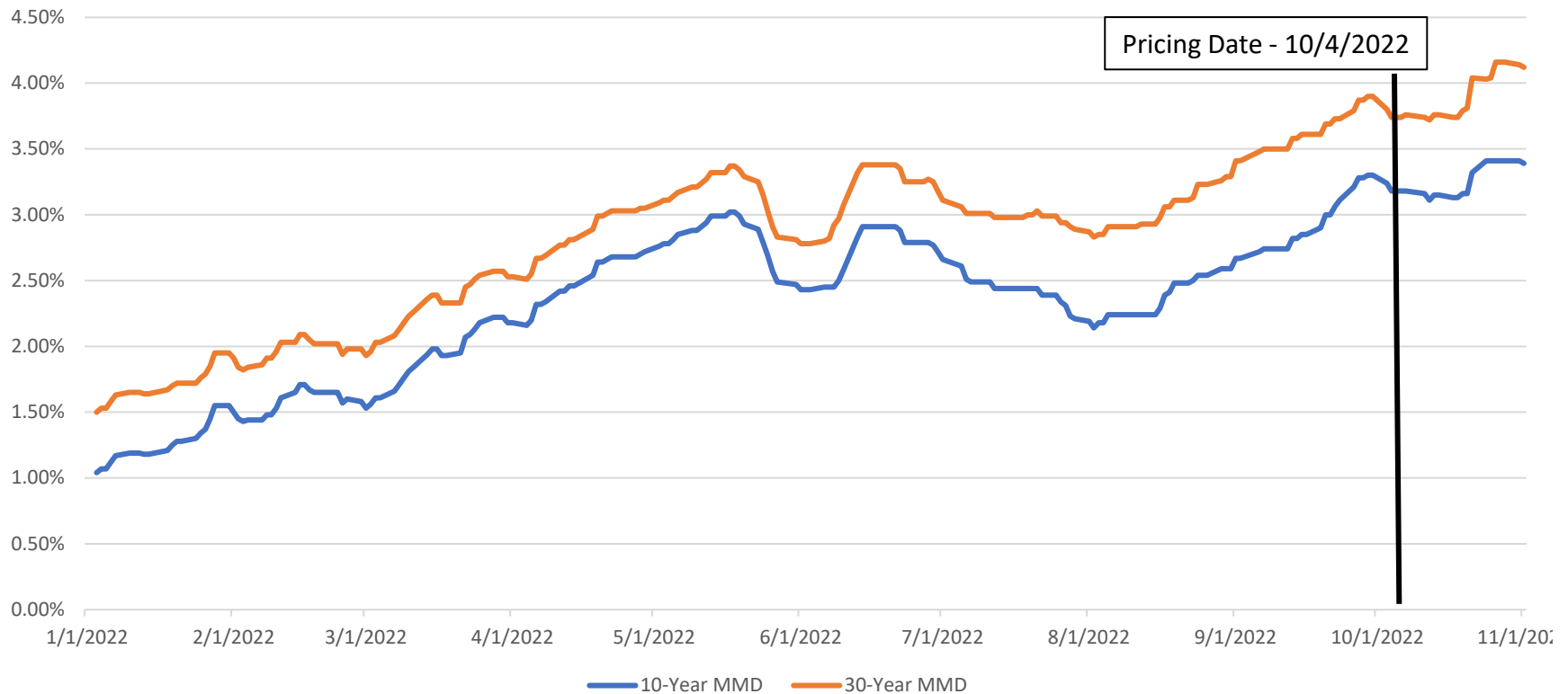
\* Preliminary, subject to change.

# Municipal Market Commentary

## Overview of Recent Municipal Bond Yields

- In 2022, bond yields have been largely influenced by three major factors: persistent inflation, the Federal Reserve Board, and cash flowing out of municipal bond mutual funds.

Municipal Bond Yields Since January 1, 2022

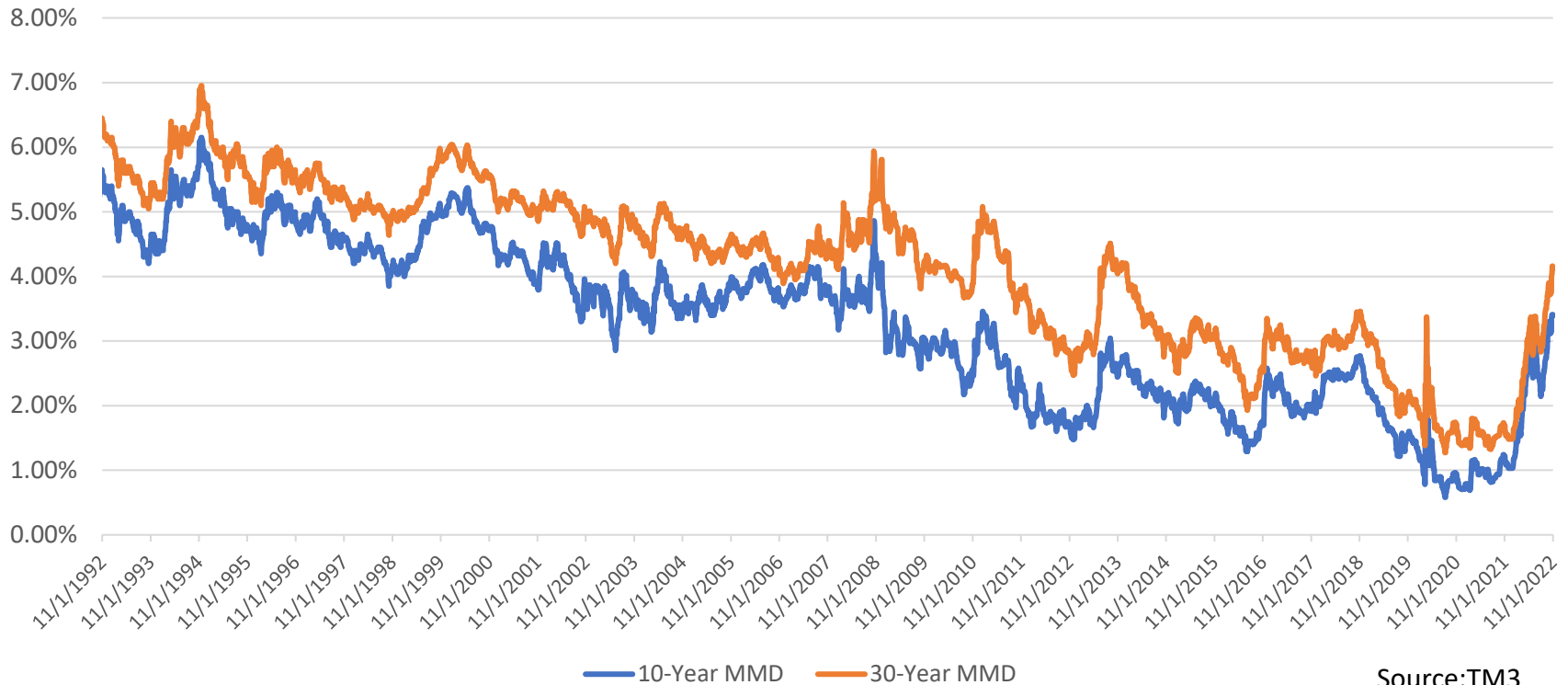


Source: TM3

# Municipal Market Commentary

## Historical Municipal Bond Yields

Historical Municipal Bond Yields - Past 30 Years

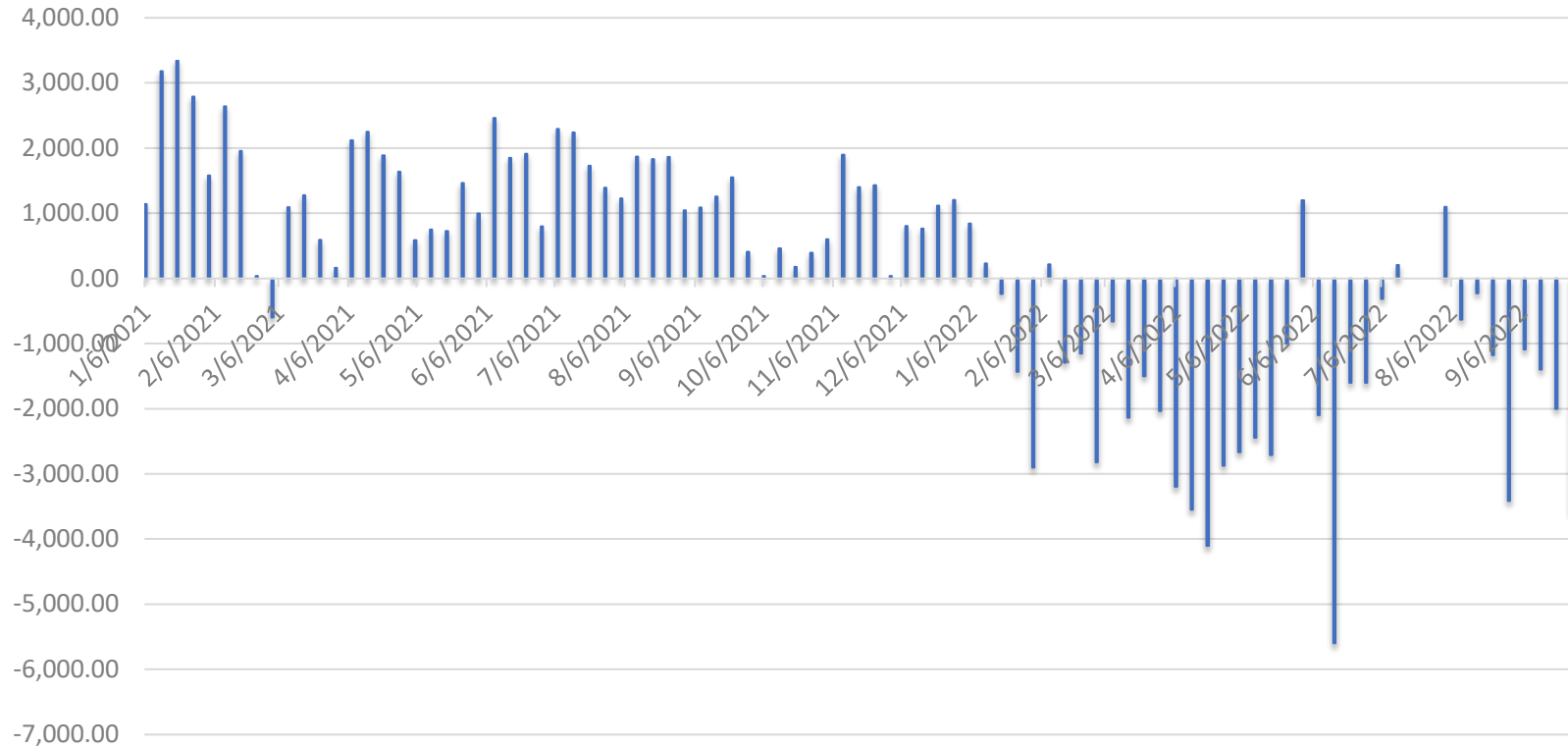


- Over the past 30 years, rates have been higher than current levels
  - 54% of the time for the 10-Year MMD
  - 64% of the time for the 30-Year MMD

# Municipal Market Commentary

## Municipal Bond Fund Inflows/Outflows

Weekly Flows (\$mils)



Source: Refinitiv Lipper US Fund Flows data

- Net outflows since the beginning of the year have totaled over \$60 billion.
- Municipal bond funds have seen outflows in all but 7 weeks in 2022, with outflows totaling \$3.6 billion last week.
- Record for full year of net outflows is \$64 billion in 2013.

# California Bond Issuances this Week

Issuer	Description	Amount (\$000's)
Brentwood Union School District	General Obligation Bonds, Election of 2016, Series 2022	\$50,000
<b>Cambria Community Services District</b>	<b>Wastewater Revenue Certificates of Participation, Series 2022A</b>	<b>\$12,175</b>
City of Rancho Mirage	Special Tax Bonds, Series 2022 (Community Facilities District No. 4C) (Del Webb Project)	\$7,000
Community Facilities District No. 2011-1 of the Menifee Union School District	2022 Special Tax Bonds (Improvement Area No. 7)	\$23,155
County of Riverside	Teeter Plan Obligation Notes, 2022 Series A Mat:	\$84,100
Santa Clarita Public Financing Authority	Lease Revenue Bonds, Series 2022A and 2022B (Energy Efficiency Program) (Green Bonds)	\$17,915
Southern California Public Power Authority	Refunding Revenue Bonds, 2022 Series A (Canyon Power Project)	\$27,775
State of California	Veterans General Obligation Bonds, Series CU	\$166,935

Source:TM3

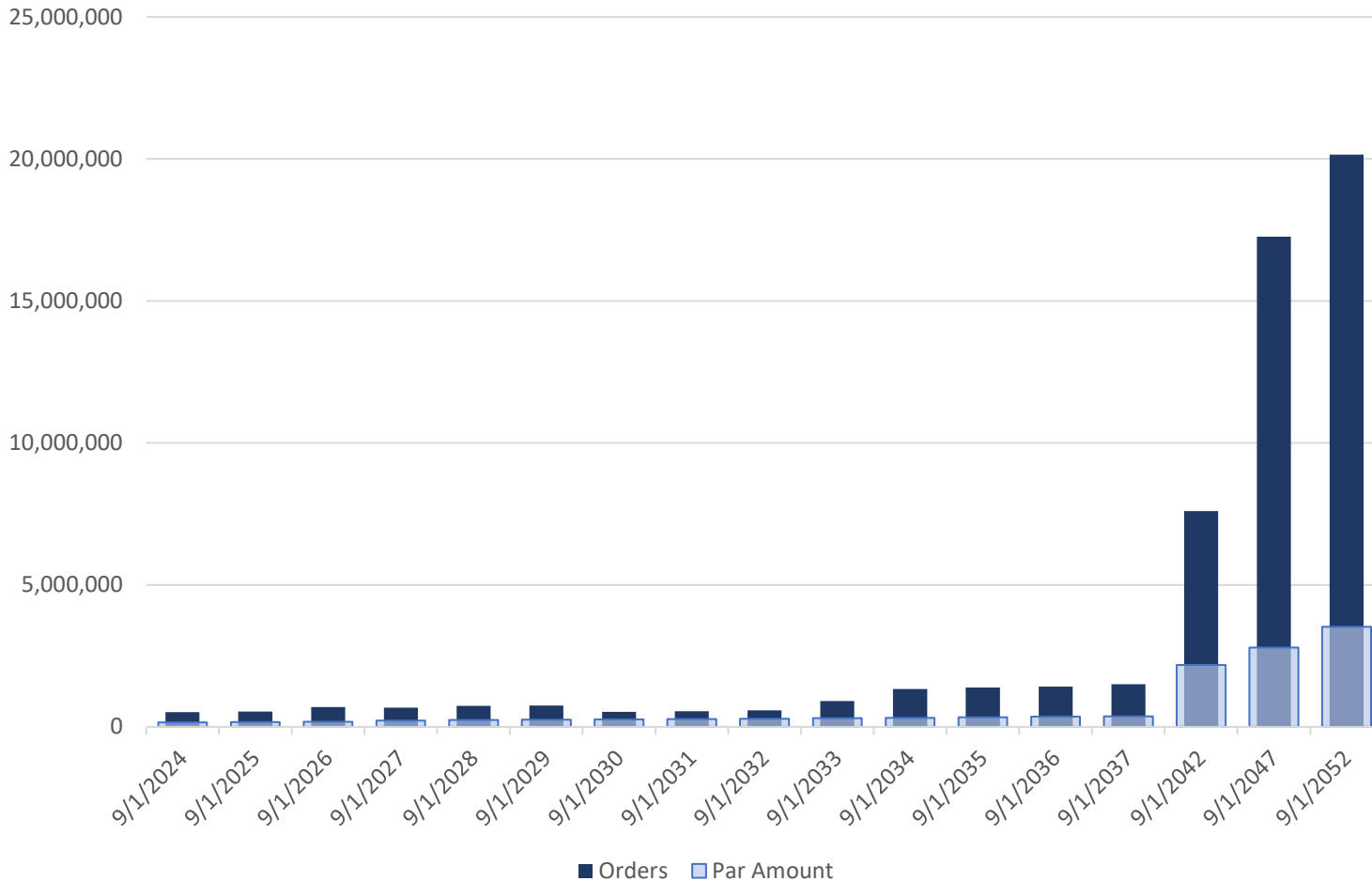
# Pre-Pricing Day Interest Rate Scale

Maturity	Coupon	Yield	Spread	10/3/21 Int. MMD
2024	5.000	3.31	<b>25.0</b>	3.06
2025	5.000	3.37	<b>30.0</b>	3.07
2026	5.000	3.43	<b>35.0</b>	3.08
2027	5.000	3.49	<b>40.0</b>	3.09
2028	5.000	3.56	<b>45.0</b>	3.11
2029	5.000	3.59	<b>47.0</b>	3.12
2030	5.000	3.67	<b>53.0</b>	3.14
2031	5.000	3.76	<b>56.0</b>	3.20
2032	5.000	3.82	<b>58.0</b>	3.24
2033	5.000	3.94	<b>62.0</b>	3.32
2034	5.000	4.10	<b>68.0</b>	3.42
2035	5.000	4.15	<b>70.0</b>	3.45
2036	5.000	4.19	<b>73.0</b>	3.46
2037	5.000	4.26	<b>78.0</b>	3.48
2042	5.250	4.45	<b>78.0</b>	3.67
2047	4.625	4.86	<b>107.0</b>	3.79
2052	4.750	4.91	<b>107.0</b>	3.84



# Order Period Results

**Total Orders: \$57,165,000**



Maturity Date	Subscription
2024	3.3x
2025	3.3x
2026	4.0x
2027	3.0x
2028	3.1x
2029	3.0x
2030	2.0x
2031	2.0x
2032	2.0x
2033	3.0x
2034	4.2x
2035	4.1x
2036	4.0x
2037	4.0x
2042	3.5x
2047	6.2x
2052	5.7x
<b>Overall</b>	<b>4.7x</b>

# Order Period Results

	Account	Total (\$1000s)
1	Institutional Bond Network LLC	6,320
2	C.L. King & Associates	6,320
3	MFS Investment Management	6,320
4	Western Asset Management Co (WamCo)	6,320
5	WPG Advisers LLC	4,040
6	Belle Haven Investments, L.P.	3,875
7	BNY Mellon (Boston Company)	3,875
8	Franklin Templeton Portfolio Advisors, Inc.	3,730
9	Singer Family Trust	3,530
10	DCM Advisors, LLC	2,790
11	Mercury Insurance Company	2,185
12	D.A. Davidson & Co.	2,065
13	Evercore Wealth Managment LLC	1,350
14	Raymond James & Associates/ST	1,250
15	Chilton Investment Company, Inc.	890
16	Clifford Swan Investment Council	720
17	Individual Retail	515
18	Rockpoint Advisors	495
19	F/M Investments	300
20	CHARLES FISH INVESTMENTS	250
21	Templeton Financial Services Inc	25
	<b>Total</b>	<b>57,165</b>

Robust order period resulted in orders from over 21 different accounts.

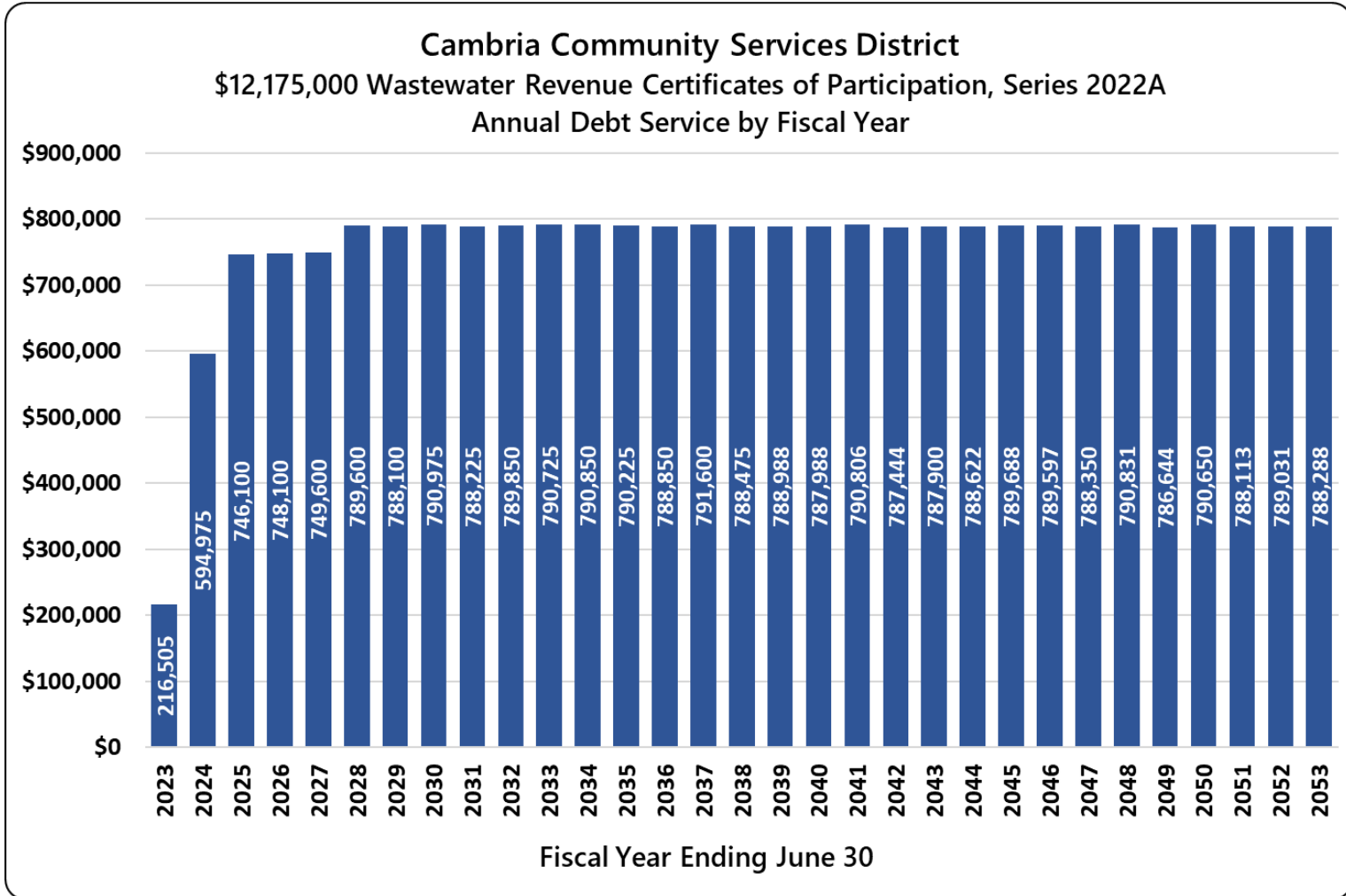
# Final Pricing vs. Preliminary Pricing

Sale Date	Final Pricing - 10/4/2022							Change in Spreads	Preliminary Pricing - 10/3/2022						
	Cambria Community Services District Wastewater Revenue Certificates of Participation, Series 2022								Cambria Community Services District Wastewater Revenue Certificates of Participation, Series 2022						
Issue Size	\$12,175,000								\$12,245,000						
U/W	Oppenheimer								Oppenheimer						
Type	Wastewater Revenue Certificates of Participation								Wastewater Revenue Certificates of Participation						
Insurer	AGM								AGM						
Insured Rating	AA								AA						
U/L Rating	NR/A-/NR								NR/A-/NR						
Call Feature	9/1/30 at par								9/1/30 at par						
10 YR MMD	3.24								3.24						
30 YR MMD	3.84								3.84						
10 YR T-Bond	3.61								3.67						
30 YR T-Bond	3.68								3.73						
Maturity	Par Amt. \$1000s	Coupon	Yield	YTM	Spread	YTM Spread	10/3/22 Int. MMD		Par Amt. \$1000s	Coupon	Yield	YTM	Spread	YTM Spread	10/3/22 Int. MMD
2023															
2024	155	5.000	3.27		21.0		3.06	-4.00	155	5.000	3.31		25.0		3.06
2025	165	5.000	3.33		26.0		3.07	-4.00	165	5.000	3.37		30.0		3.07
2026	175	5.000	3.39		31.0		3.08	-4.00	175	5.000	3.43		35.0		3.08
2027	225	5.000	3.45		36.0		3.09	-4.00	225	5.000	3.49		40.0		3.09
2028	235	5.000	3.52		41.0		3.11	-4.00	240	5.000	3.56		45.0		3.11
2029	250	5.000	3.55		43.0		3.12	-4.00	250	5.000	3.59		47.0		3.12
2030	260	5.000	3.64		50.0		3.14	-3.00	265	5.000	3.67		53.0		3.14
2031	275	5.000	3.73	3.848	53.0	64.8	3.20	-3.00	275	5.000	3.76	3.875	56.0	67.5	3.20
2032	290	5.000	3.79	3.991	55.0	75.1	3.24	-3.00	290	5.000	3.82	4.016	58.0	77.6	3.24
2033	305	5.000	3.90	4.148	58.0	82.8	3.32	-4.00	305	5.000	3.94	4.179	62.0	85.9	3.32
2034	320	5.000	4.05	4.311	63.0	89.1	3.42	-5.00	320	5.000	4.10	4.348	68.0	92.8	3.42
2035	335	5.000	4.10	4.385	65.0	93.5	3.45	-5.00	335	5.000	4.15	4.419	70.0	96.9	3.45
2036	355	5.000	4.14	4.443	68.0	98.3	3.46	-5.00	355	5.000	4.19	4.475	73.0	101.5	3.46
2037	370	5.000	4.19	4.500	71.0	102.0	3.48	-7.00	375	5.000	4.26	4.543	78.0	106.3	3.48
2038															
2039															
2040															
2041															
2042	2,170	5.250	4.39	4.8050	72.0	113.5	3.67	-6.00	2,185	5.250	4.45	4.8350	78.0	116.5	3.67
2043															
2044															
2045															
2046															
2047	2,780	4.625	4.80		101.0		3.79	-6.00	2,800	4.625	4.86		107.0		3.79
2048															
2049															
2050															
2051															
2052	3,510	4.750	4.86		102.0		3.84	-5.00	3,530	4.750	4.91		107.0		3.84
2053															
2053															

# Numerical Results

	Pre-Pricing Results (October 3 <sup>rd</sup> )	Final Pricing Results (October 4 <sup>th</sup> )
Par Amount	\$12,245,000	\$12,175,000
Project Fund	\$12,100,000	\$12,100,000
True Interest Cost	4.79%	4.74%
All-In True Interest Cost	4.95%	4.90%
Average FY Debt Service (FYE 2025-27)	\$751,346	\$747,933
Average FY Debt Service (FYE 2028-52)	\$794,025	\$789,247
Total Debt Service	\$23,714,828	\$23,575,692

# Projected Debt Service Coverage



# Key Terms

- COPs sized to generate \$12.1 million for wastewater capital improvements
- Debt repayment secured solely by the Net Revenue of the Wastewater System
- **Rate Covenant:** Must adopt rates & charges sufficient to generate Net Revenues > 1.20x annual debt service
- **Continuing Disclosure:** Annual filing due by March 31 each year
- **Prepayment:** COPs can be prepaid anytime starting Sept. 1, 2030 (approx. 8 years) without any prepayment premium