

SAN BERNARDINO MUNICIPAL WATER DEPARTMENT
POLICIES & PROCEDURES MANUAL

POLICY 54-030 - DISCLOSURE POLICY AND PROCEDURE

Date: July 2021
Revision No: 1
Supersedes: October 4, 2016
First Adopted: October 4, 2016

POLICY:

This Disclosure Policy and Procedure (the **Disclosure Procedure**) of the City of San Bernardin Municipal Water Department (the **Department**) are intended to ensure that the Department is in compliance with all applicable federal and state securities laws.

RESPONSIBILITY:

The **Director of Finance** of the **Department** shall be the **Disclosure Coordinator of the Department** (the **Disclosure Coordinator**).

PROCEDURE:

Article I. Review and Approval of Official Statements

The Disclosure Coordinator of the Department shall review any Official Statement prepared in connection with any debt issuance by the Department in order to ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the Department.

In connection with its review of the Official Statement, the Disclosure Coordinator shall consult with third parties, including outside professionals assisting the Department, and all members of Department staff, to the extent that the Disclosure Coordinator concludes they should be consulted, so that the Official Statement will include all "material" information (as defined for purposes of federal securities law).

As part of the review process, the Disclosure Coordinator shall submit all Official Statements to the Water Board for approval.

The approval of an Official Statement by the Water Board shall be docketed as a new business matter and shall not be approved as a consent item. The Water Board shall undertake such review as deemed necessary, following consultation with the Disclosure Coordinator, to fulfill the Water Board's responsibilities under applicable federal and state securities laws. In this regard, the Disclosure Coordinator shall consult with the Department's disclosure counsel to the extent the Disclosure Coordinator considers appropriate.

Article II. Continuing Disclosure Filings

Under the continuing disclosure undertakings that the Department has entered into in connection with its debt offerings, the Department is required each year to file annual reports with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system in accordance with such undertakings. Such annual reports are required to include certain updated financial and operating information, and the Department's audited financial statements.

The Department is also required under its continuing disclosure undertakings to file notices of certain events with EMMA.

The Disclosure Coordinator is responsible for establishing a system (which may involve the retention of one or more consultants) by which:

(i) the Department will make the annual filings required by its continuing disclosure undertakings on a complete and timely basis, and

(ii) the Department will file notices of enumerated events on a timely basis.

Article III. Public Statements Regarding Financial Information

Whenever the Department makes statements or releases information relating to its finances to the public that are reasonably expected to reach investors and the trading markets, the Department is obligated to ensure that such statements and information are complete, true, and accurate in all material respects.

Article IV. Training

The Disclosure Coordinator shall ensure that all members of the Department staff involved in the initial or continuing disclosure process are properly trained to understand and perform their responsibilities.

The Disclosure Coordinator shall arrange for disclosure training sessions conducted by the Department's disclosure counsel. Such training sessions shall include education on these Disclosure Procedures, the Department's disclosure obligations under applicable federal and state securities laws, and the disclosure responsibilities and potential liabilities of members of the Department's staff and members of the Water Board. Such training sessions may be conducted using a recorded presentation.

Policy Review

Board Approved	<u>10/4/2016</u>
No Changes:	<u>7/2018</u>
No Changes:	<u>7/2019</u>
No Changes:	<u>7/2020</u>
Minor changes (HR) GM Approved:	<u>7/2021</u>