AMENDED

BOARD OF DIRECTORS
SAN BENITO COUNTY WATER DISTRICT
Agenda For
April 30, 2025
Regular Meeting – 5:00 p.m.
30 Mansfield Road – Hollister, California 95023

Assistance for those with disabilities:
If you have a disability and need accommodation to participate in the meeting, please call Barbara Mauro, Board Clerk, at (831) 637-8218, 48 hours prior to meeting for assistance so the necessary arrangements can be made.

Effective at the April 27, 2022, The Board of Directors is now allowing the public to attend in person at all meetings of the San Benito County Water District Board. We will also continue to offer the meeting via Zoom as well. Regarding virtual participation, members of the public are instructed to be on mute during the proceedings and to speak only when public comment is allowed, after requesting and receiving recognition from the Board President.

ZOOM LINK
https://us06web.zoom.us/j/82739183263?pwd=1kbhRVPqbVvRP8WoZntR9pQpOh7UQp.1

Meeting ID
827 3918 3263

Passcode:
092529

Dial Only:
Dial by your location
• +1 669 444 9171 US
• +1 346 248 7799 US (Houston)
• +1 719 359 4580 US
• +1 720 707 2699 US (Denver)
• +1 253 205 0468 US
• +1 253 215 8782 US (Tacoma)

If you plan to participate in the meeting and need assistance, please call Barbara Mauro, Board Clerk, at (831) 637-8218, 48 hours prior to meeting.

CALL TO ORDER

a. Pledge of Allegiance to the Flag

b. Roll Call

c. Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 8:00 p.m.

d. Approval of Agenda

e. Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda

CONSENT AGENDA:

(Consent items shall be considered as a whole and without discussion unless a particular item is removed from the consent agenda. Board member may discuss individual items or seek information from staff or legal counsel without removing the item from the Consent Agenda. A member of the public should seek recognition by the President if comment is desired. Approval of consent items shall be made by one motion.)

1. Approval of Minutes for:

March 26, 2025	Regular Meeting
April 9, 2025	Special Meeting
April 16, 2025	Special Meeting

2. Allowance of Claims
3. Acknowledgement of Paid Claims prior to the April Board Meeting
4. Acceptance of Quarterly Investment Report, March 31, 2025
5. On Call Contracts – Status Updates
6. Consider Amendment to December 18, 2024 Agreement with C. Overaa & Co. Regarding West Hills Water Treatment Plant Expansion Project and Authorizing General Manager to Execute Such Amendment

REGULAR AGENDA

7. Recognizing Anne Stull for 30 Years of Service, Certificate Issued
8. Recognizing Michael Craig for 20 Years of Service, Certificate Issued
9. Consider Resolutions of the San Benito County Water District and San Benito County Water District Financing Authority Approving the Installment Sale Financing to Provide Financing of Water System Improvements for Zone 6 Accelerated Drought Response Project (NTE $42,000,000)
10. Annual Groundwater Report 2024
    a. Presentation of Report
    b. Consider Acceptance of Annual Groundwater Report 2024
11. Consider Extending the Contract for one additional year (Fiscal Year 2024-2025) with McGilloway, Ray, Brown, & Kaufman for auditing services
12. Consider Awarding a Contract to Corrpro Companies, Inc for Installation of an Impressed Current Cathodic Protection System at the Lessalt Water Treatment Plant and Authorizing the General Manager to sign contract (NTE $ 144,000)
13. Consider Salary increase for the District Engineer and Deputy District Engineer positions
14. Consider Resolution Declaring May as Water Awareness Month

15. Committee/Agency Representative Reports:
    a. San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)
    b. Pajaro River Watershed Flood Prevention Authority (Flores/Wright)
    c. Water Resources Association (Flores/Freeman)
    d. Finance Committee (Tonascia/Freeman)
    e. Investment Committee (Flores/Williams)
    f. Personnel Committee (Flores/Tonascia)
    g. Zone 6 Water Supply & Operations Committee (Tonascia/Wright)

16. Monthly Operations and Maintenance Report

17. General Manager's Report:
    a. Reach 1 Operations
    b. Zone 3 Operations
    c. Zone 6 Operations
    d. Accelerated Drought Response Project (ADRoP)
    e. San Luis and Delta-Mendota Water Authority Activities
    f. City of San Juan Bautista Water Supply Plan
    g. B F Sisk Dam Raise Project
    h. Miscellaneous District items

18. **CLOSED SESSION: Conference with Legal Counsel-Existing litigation**
    Government Code § 54956.9(d)(1)
    Kurasaki vs. Caltrans *et al*; San Benito County

19. **OPEN SESSION:**
    Report any actions, if any, from Closed Session item

20. Adjournment

Adjournment - Unless there is a special meeting prior to that time, the next regular meeting of the Board will be Wednesday, May 28, 2025. Meetings are held at the District office, 30 Mansfield Road, Hollister, California. **LAST DAY TO FILE CLAIMS** against the District is the second Friday of each month, except in November and December. Usually meeting dates change in those months because of holidays. The Board may hold a closed session to discuss personnel matters, litigation or employee negotiations as authorized by the Ralph M. Brown Act, Evidence Code #950-962 or other appropriate State law.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 30 Mansfield Road, Hollister, California.

March 26, 2025
Regular Meeting
5:00 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, March 26, 2025 at 5:00 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Doug Williams, Vice President Mark Wright and Directors Sonny Flores, John Freeman and Joe Tonascia. Also present were General Manager Dana Jacobson, District Counsel Jeremy T. Liem, Assistant General Manager Brett Miller, Operations and Maintenance Manager Michael Craig, Senior Engineer David Macdonald, Water Conservation Program Manager Jennifer Arellano, Office Specialist I Shannon Darnall and Executive Assistant/Board Clerk Barbara Mauro. Jeff Cattaneo participated via Zoom.

CALL TO ORDER

President Williams called the meeting to order at 5:00 p.m.

a. Pledge of Allegiance to the Flag
President Williams led the Pledge of Allegiance.

b. Roll Call
Mrs. Mauro called roll. Members present were: President Williams, Vice President Wright and Directors Flores, Freeman and Tonascia.

c. Speakers will be limited to 5 minutes to address the Board; rebuttal will be limited to 3 minutes; no new business agenda items will be heard after 8:00 p.m.

d. Approval of Agenda
With a motion by Director Tonascia and a second by Director Flores, the Agenda was approved by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

e. Public Input: Members of the Public are Invited to Speak on any Matter not on the Agenda
There were no public comments.

CONSENT AGENDA:

1. **Approval of Minutes for: February 26, 2025 Regular Meeting**
2. **Allowance of Claims**
   President Williams asked what projects/repairs made up the $47,000 check to Brigantino Irrigation? Mr. Miller stated it was mostly the Sub 10 break, some for the San Juan Main Line work and the rest were miscellaneous repairs.
3. **Acknowledgement of Paid Claims prior to the March Board Meeting**
4. **On Call Contracts – Status Updates**

With a motion by Director Freeman and a second by Vice President Wright, the Consent Agenda was approved by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

REGULAR AGENDA

5. **Discuss and Consider Resolution Restating the District's Investment Policy**

Mr. Miller stated the Board annually reviews the District's Investment Policy. Staff proposed a lot of changes, so the Investment Committee asked that the full board weigh in. Some of the changes were lateral investments, for when the Bureau payments go up, made the policy clearer by adding a glossary of terms and extending the distribution of the quarterly investment report from 15 days following the quarter end to 30 days.

Director Flores added the objectives, and the security is important and that 4% of return was needed to meet the District's obligations.

Mr. Miller added L.A.I.F. is very secure and a good option and he named several others.

With a motion by Director Flores and a second by Director Freeman, the Board of Directors approved Resolution 2025-03, *A Resolution of the Board of Directors of the San Benito County Water District Restating the District's Investment Policy*, by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

6. **Discuss and Consider Authorizing the General Manager Execute a Contract with Todd Groundwater for the 2025 Urban Water Management Plan Update (NTE $143,870)**

Ms. Arellano reviewed this item for the Board by stating this is a state requirement and the Plan is done every 5 years. This is specifically for urban water suppliers and is a necessary tool for Federal Funding. The contract is for Todd Groundwater who has done this plan for the last 20 years. The change in this plan, is the addition of the City of San Juan Bautista, so there will be a new cost split between the agencies. This report is due in July 2026.

With a motion by Director Tonascia and a second by Director Freeman, the Board of Directors Authorized the General Manager Execute a Contract with Todd Groundwater for the 2025 Urban Water Management Plan Update (NTE $143,870) by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

7. **Discuss and Consider Authorizing the General Manager Execute a Contract with Todd Groundwater for the 2025 Agricultural Water Management Plan Update (NTE $37,539)**

Ms. Arellano also reviewed this item for the Board and stated this is also a state requirement and is done every 5 years but this one is just for the District. Todd Groundwater is also providing this service to the District. This report is due in September 2026.

With a motion by Director Tonascia and a second by Director Freeman, the Board of Directors Authorized the General Manager Execute a Contract with Todd Groundwater for the 2025 Agricultural Water Management Plan Update (NTE $37,539) by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

8. **Consider Resolution Setting Forth the District's Intentions Regarding Percolation of San Felipe Project Water for Water Contract Year 2025-2026**

Mr. Jacobson stated the District Act directs percolation to be done annually and is usually at 10% of the allocation. The resolution before the Board is for 1200-acre feet of Ag water and 700 acre feet of M & I water to be percolated in the 2025-2026 water year. If the District's water allocation is increased, the percolation could also be increased.

With a motion by Director Flores and a second by Director Tonascia, the Board of Directors approved Resolution #2025-04 *A Resolution of the Board of Directors of the San Benito County Water District Setting Forth the District's Intentions Regarding Percolation of San Felipe Project Water for Water Contract Year 2025-2026* by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

9. **Consider Authorizing the General Manager to Make an Additional Financial Commitment of $8,213 for the B.F. Sisk Dam Raise and Reservoir Expansion Project**

Mr. Jacobson stated a few months ago, the Board made a commitment of $145,000 for the B.F. Sisk Dam Raise and Reservoir Expansion Project. One of the agencies dropped out of the project and their storage allocation is being offered to the remaining agencies. This would add 260 acre feet of storage to the District, increasing our total storage in the project to 5300 acre feet of storage. Mr. Jacobson stated, if we want to add this amount, an additional $8213 would need to be committed. He further reported next year, a larger contribution of approximately $1 million will be necessary.

With a motion by Director Freeman and a second by Vice President Wright, the Board of Directors Authorized the General Manager to make an additional Financial Commitment of $8213 for the B.F. Sisk Dam Raise and Reservoir Expansion Project by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

10. **Consider Approval and Authorize the Board President to Execute the Healthy Rivers and Landscapes Program Implementation Funding Activity Agreement**

Mr. Jacobson, using a PowerPoint presentation, gave the background on this agenda item. This information is to explain why there would be an increase of $10/acre foot for future CVP allocations over an 8-year span. Mr. Jacobson stated it basically protects the allocation. Safeguards were discussed and this voluntary funding would be over 8 years. He did caution that this will likely dry up the transfer market. The cost would be about $140,000/year and there will be a decision by June 2025.

Katja Irvin, a member of the public on Zoom, asked why the urgency on a decision now before the Water Board's decision in June. Mr. Jacobson stated the State wants to see a commitment of the agencies it will affect.

With a motion by Director Freeman and a second by Director Flores, the Board of Directors Approved and Authorized the Board President to Execute the Healthy Rivers and Landscapes Program Implementation Funding Activity Agreement by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

11. **San Benito County Water District – Budget Kick Off Meeting 2025-2026**
Mr. Miller, also using a PowerPoint presentation, stated the District staff is starting early on the budget. He added, the rate study will also be starting soon as the District is in the last year of the approved 3-year rate structure. In his presentation, Mr. Miller gave an overview of the proposed schedule, which included: adoption of the budget at the May meeting, Rate Study Session at the October meeting, holding a Public Hearing to approve rates at the December meeting and March 1, 2026, the new rates would go into effect. He further gave an overview of the budget by departments and stated staff is working on a 1-year budget and a 5-year Capital Improvement Plan.

12. **Receive Information and Discuss Participation in the Pajaro River Watershed Resiliency Program**
Mr. Cattaneo reported on this for the Board. He stated this is an extension of the IRWM program, which started about twenty years ago. The State is placing more emphasis on climate resilience and equity on collaboration with the agencies in the watershed. Mr. Cattaneo added about 80% of the watershed lies in San Benito County. He further reported a key aspect will be to manage the headwaters which start at Hernandez and end in the Pajaro River near the Monterey Bay Sanctuary. The State is also requesting more stakeholder groups and Pajaro Valley Water Management Agency will be taking the lead agency as they have a grant for a pilot program. It will be approximately 1 year to get the plan together and it will be for collaborating across the watershed concentrating on: water quality, forest/fire suppression and eco system restoration. Putting this plan together will be important for future state funding opportunities and Mr. Cattaneo stressed the importance of staying involved.

13. **Committee/Agency Representative Reports:**

a. **San Luis and Delta-Mendota Water Authority (Tonascia/Jacobson)**
As per Director Tonascia, Mr. Jacobson can cover under his manager's report.

b. **Administration Committee (Flores/Williams)**
As per Directors Flores and Williams, this has already been covered.

c. **Finance Committee (Tonascia/Freeman)**
As per Directors Freeman and Tonascia, this has already been covered.

d. **Personnel Committee (Flores/Tonascia)**
As per Directors Flores and Tonascia, this will be covered in Closed Session.

e. **Zone 6 Water Supply & Operations Committee (Tonascia/Wright)**
As per Directors Tonascia and Wright, this has already been covered.

14. **Monthly Operations and Maintenance Report**
Mr. Craig stated there will be approximately 8 weeks that his department will be covering the Water Resources Technician's duties. Mr. Craig reported samples were taken from the San Benito River and the District is getting ready to divert water from Hernandez Reservoir, but he will need the full crew to do this. Green Valley, the firm the District contracted with to spray for weeds, has been very responsive and are down to only 2 locations to complete the spraying. His staff will be replacing some pressure relief

valves, which were on the CIP from last year. He further reviewed other items that he is replacing. He also showed photos of several repairs done in the last month.

15. **General Manager's Report:**

a) Reach 1 Operations
Mr. Jacobson stated there wasn't anything to report.

b) Zone 3 Operations
Mr. Jacobson stated there wasn't anything to report, beyond Mr. Craig's report.

c) Zone 6 Operations
Mr. Jacobson reported there will be an easement and reimbursement agreement that will come to the Board for approval in the next few months.

d) Accelerated Drought Response Project (ADRoP)
Mr. Jacobson reported there will be milestones coming for the expansion of West Hills that will need Board approval. At the Special Meeting on April 9th, the Board will consider approving the CEQA documentation.

Mr. Cattaneo added for the land acquisition, documents are being reviewed and final agreements are being prepared.

Director Tonascia added there will be agreements with the City of Hollister and Sunnyslope County Water District, and also adding the City of San Juan Bautista.

Mr. Jacobson further added, ADRoP financing may be on next month's agenda.

e) San Luis and Delta-Mendota Water Authority Activities
Mr. Jacobson reported next month he expects more discussion on the Delta-Mendota Subsidence Correction Project.

f) City of San Juan Bautista Water Supply Plan
Mr. Jacobson reported last night the City held a workshop which went well; he and Mr. Miller attended.

g) B F Sisk Dam Raise Project
Mr. Jacobson reported funding will be necessary and the capacity fee is important; he and Mr. Miller have made this a high priority item.

h) Miscellaneous District items
Mr. Jacobson reported, regarding the Groundwater Management Fee (SGMA), a portion of the fee is based on water usage. He further reported the rate structure will need revision to be land based and usage based.

16. **CLOSED SESSION: Conference with Legal Counsel-Existing litigation Government Code § 54956.9(d)(1) Kurasaki vs. Caltrans *et al*; San Benito County**

17. **CLOSED SESSION: Consultation with: General Manager/ District Counsel**
Government Code § 54957(a)(1)
Threat to Public Services

18. **CLOSED SESSION: Public Employee Appointment**
Government Code § 54957(b)(1)
Title: District Counsel

(The Board convened in Closed Session at 6:14 p.m.)

19. **OPEN SESSION:**
Report any actions, if any, from Closed Session items

(The Board reconvened in Open Session at 7:05 p.m.)

When the Board returned to Open Session, President Williams stated there was no action to report on agenda items 16 and 17.

Regarding agenda item 18, there was a motion by Director Tonascia and a second by Director Flores; the Board of Directors unanimously approved a new agreement with Mr. Liem's firm, appointing him District Counsel, increasing his hourly wage to $375 and authorized the General Manager to sign the agreement.

20. **Adjournment**
With no further business to discuss, the meeting was adjourned at 7:07 p.m.

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Doug Williams, President

_____
Barbara L. Mauro, Executive Assistant/Board Clerk

April 9, 2025
Special Meeting
5:02 p.m.

The Board of Directors of the San Benito County Water District convened in regular session on Wednesday, April 9, 2025 at 5:02 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Doug Williams, Vice President Mark Wright and Directors Sonny Flores, John Freeman and Joe Tonascia. Also present were General Manager Dana Jacobson, District Counsel Jeremy T. Liem, Assistant General Manager Brett Miller, Office Specialist I Shannon Darnall and Executive Assistant/Board Clerk Barbara Mauro. Jeff Cattaneo participated via Zoom.

CALL TO ORDER

President Williams called the meeting to order at 5:02 p.m.

a. Pledge of Allegiance to the Flag

President Williams led the Pledge of Allegiance.

b. Roll Call

Mrs. Mauro called roll. Members present were: President Williams, Vice President Wright and Directors Flores, Freeman and Tonascia.

c. Approval of the Agenda

President Williams stated the agenda needed to have 1 item added. Mr. Liem stated the urgency of this item is based on information that came to light after the agenda was posted and a determination of immediate action is necessary to consider commencing litigation and filing an emergency preliminary injunction. This item must be added to the agenda with a motion and second and must be passed by a 4/5 vote of the board. A motion was made by Director Tonascia, for approval of the agenda and adding a Closed Session Item: Conference with Legal Counsel-Anticipated Litigation, initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9; One case and it was seconded by Director Flores. Mrs. Mauro added this will now be agenda item #4, Open Session, report out of Closed Session will be agenda item #5 and then Adjournment. The Board approved the agenda, with the one addition, by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

d. Speakers will be limited to 5 minutes to address the Board

There were no public speakers.

AGENDA ITEMS:

1. Discuss Public Outreach for the Accelerated Drought Response Project

Mr. Jacobson, using a PowerPoint presentation, introduced this item and stated there is a requirement from the California Department of Water Resources (DWR) to educate the public and hold 2-3 public meetings. The next item on this agenda, is to consider approval of the CEQA compliance for the ADRoP Project. Mr. Jacobson gave an overview of the grant funding received so far (2 grants through DWR and 1 through the USBR). He furthered reported the District received the final grant agreement today for the $6.7 million grant. For reference, Mr. Jacobson stated the members of the San Benito Urban Water Master Plan are: San Benito County Water District, San Benito County,

the City of Hollister, Sunnyslope County Water District and soon the City of San Juan Bautista will be added. Each agency has 2 representatives on the Governance Committee and the manager of each agency is on the Management Committee of the SBUW Master Plan. He reviewed the accomplishments of the Master Plan, which included: Upgrade to the Lessalt WTP, the construction of the West Hills WTP, the City of Hollister's Wastewater Plant and the Ridgemark Wastewater Plant. In the 2023 Master Plan update, it was noted there is a water shortfall in critically dry years. ADRoP will store water in years when there are excess water allocations, to be used during critically dry years. This project is to provide water to existing customers only. Mr. Jacobson reviewed the purpose, components and the capital costs, which are estimated to be about $50 million. The execution of the project will be: 1) West Hills WTP expansion; 2) Install wells and a pipeline and 3) Construction to be complete by approximately March 2026.

Director Flores asked about a consultant for the public outreach. Mr. Jacobson stated this should come before the board in the next month or two. Some meetings we have had would qualify and some dedicated public meetings will still be needed. Discussion ensued about possible locations for these meetings.

2. **Public Hearing regarding the Adoption and Approval of Findings for the Mitigated Negative Declaration for the Accelerated Drought Response Project**

   a. **Proof of Publication submitted for the Adoption and Approval of Findings for the Mitigated Negative Declaration for the Accelerated Drought Response Project**
   Mrs. Mauro verified the proof of publication.

   b. **Presentation of the Findings**
   Mr. Jacobson reviewed the CEQA requirements and stated the District is the lead agency. The public review period ended approximately 1 week ago. If the Board approves, Mr. Jacobson will sign the CEQA Findings of Fact. Following approval, the CEQA document will be filed with the San Benito County Clerks office and also on-line with CEQA. He further explained that the mitigation measures are required to reduce the environmental impact. Regarding ADRoP, CEQA prohibits piece-mealing of projects, so an initial analysis was made for the West Hills WTP and a new analysis was done for the wells in the project. Mr. Jacobson reviewed the findings and stated no statement of overriding impacts was needed; the Board would be authorizing him to sign this document.

   c. **Questions of Directors**
   There were no questions from the Directors.

   d. **Open Public Hearing**
   President Williams opened the Public Hearing; there were no questions or comments from the public.

   e. **Close Public Hearing or continue to a later date**
   President Williams closed the Public Hearing.

f. **Consider Adoption of the Statement of Findings**
With a motion by Director Flores and a second by Director Freeman, the Board of Directors adopted the Statement of Findings by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

g. **Consider Resolution for Approval of the Mitigated Negative Declaration for the Accelerated Drought Response Project including the Mitigation Monitoring and Reporting Program**
With a motion by Director Freeman and a second by Director Tonascia, the Board of Directors approved Resolution 2025-05 *A Resolution of the Board of Directors of the San Benito County Water District Adopting the Mitigated Negative Declaration for the Accelerated Drought Response Project; Adopting California Environmental Quality Act Findings of Fact, Mitigation Measures, and Mitigation Monitoring and Reporting Program; and Approving the Accelerated Drought Response Project;* by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

3. **CLOSED SESSION: Conference with Legal Counsel-Pending litigation**
Government Code § 54956.9(d)(1)
Kurasaki vs. Caltrans *et al*; San Benito County

4. **CLOSED SESSION: Conference with Legal Counsel-Anticipated litigation**
Government Code §54956.9(d)(4) Initiation of litigation
1 case

(The Board convened in Closed Session at 5:30 p.m.

5. **OPEN SESSION:**
Report any actions, if any, from Closed Session items

(The Board reconvened in Open Session at 6:26 p.m.)

President Williams reported on Agenda item #3, regarding the pending litigation. In Closed Session, there was a motion by Director Tonascia and a second by Director Freeman, the Board of Directors agreed to deny the claim for this item by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

President Williams reported on Agenda #4, there was no action to report.

ADJOURNMENT
With no further business to discuss, the meeting was adjourned at 6:28 p.m.

Doug Williams, President

Barbara L. Mauro, Executive Assistant/Board Clerk

April 16, 2025
Special Meeting
5:01 p.m.

The Board of Directors of the San Benito County Water District convened in special session on Wednesday, April 16, 2025 at 5:01 p.m. at the San Benito County Water District office at 30 Mansfield Road, Hollister, California. Members present were: President Doug Williams, Vice President Mark Wright and Directors Sonny Flores and John Freeman. Director Joe Tonascia arrived late. Also present were General Manager Dana Jacobson, Assistant General Manager Brett Miller, Senior Engineer David Macdonald, and Executive Assistant/Board Clerk Barbara Mauro. District Counsel Jeremy T. Liem and Jeff Cattaneo participated via Zoom.

CALL TO ORDER

President Williams called the meeting to order at 5:01 p.m.

a. Pledge of Allegiance to the Flag
President Williams led the Pledge of Allegiance.

b. Roll Call
Mrs. Mauro called roll. Members present were: President Williams, Vice President Wright and Directors Flores and Freeman; Director Tonascia was absent.

c. Approval of the Agenda
With a motion by Director Flores and a second by Director Freeman; the agenda was approved by 4 affirmative votes, Williams, Wright, Flores and Freeman. There was 1 absence, Tonascia.

d. Speakers will be limited to 5 minutes to address the Board
There were no public comments.

AGENDA ITEMS:

1. Discuss and Consider Conditional Notice to Proceed (NTP) for the West Hills Water Treatment Plant (WHWTP) Expansion

(Director Tonascia arrived at 5:03 p.m.)

Mr. Jacobson stated that on December 9, 2024, the Board approved a contract with C. Overaa but it did allow for mobilization for the project. CEQA has been submitted, but the District is still waiting on the ITP (Incidental Take Permit). This permit is for the "taking" of any endangered species for the area in the project. The District has received a letter of incomplete for the ITP and asked for additional environmental review, so the application has been resubmitted.

On March 18, 2025, the District received another letter of incomplete and it is unknown when staff can expect approval. Verbally, the District has been told it would be acceptable to move forward under certain conditions. Because of the time sensitivity for the Grant from DWR (Department of Water Resources), this risk operating without the permit would be if there was an accidental "take" there could be up to $25,000 in fees and up to $50,000 in fees if it was discovered to be on-purpose.

Mr. Jacobson stated staff is of the opinion that the risk is fairly low. He further gave examples of what would be acceptable actions to do until the ITP has been approved and received. He further stated the risk of losing the grant funding is greater.

Since the packet went out, there has been 1 sentence added to the Conditional NTP, which Mr. Jacobson reviewed. He added, once the ITP is approved, he will issue a full NTP.

Director Freeman asked if a meeting with HDR and Overaa has been scheduled for pre-construction. Mr. Cattaneo replied no it hasn't, but both parties are working to get it scheduled.

Mr. Liem, participating remotely, stated the concern is for the risk and it appears the risk is low as the work would be done in the same areas as were disturbed during construction of the treatment plant.

President Williams asked, once started, when would be the completion date. Mr. Jacobson replied approximately 490 days.

With a motion by Director Flores and a second by Director Freeman, the Board of Directors approved the Conditional Notice to Proceed (NTP) for the West Hills Water Treatment Plant (WHWTP) Expansion by 5 affirmative votes, Williams, Wright, Flores, Freeman and Tonascia.

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 5:14 p.m.

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Doug Williams, President

_____

Barbara L. Mauro, Executive Assistant/Board Clerk

San Benito County Water District
COMPUTER CHECK REGISTER
Payables Management

Batch ID: CK043025
Batch Comment:

Audit Trail Code: PMCHK00001071
Posting Date: 4/30/2025

Checkbook: UB-CKG
* Voided Checks

Check #	Date	Payment Number	Vendor ID	Check Name	Amount
0059556	4/30/2025	033542	A&BFI	A & B Fire Protection & Safety Inc.	$1,175.45
0059557	4/30/2025	033543	A1JAN	A-1 Services	$828.00
0059558	4/30/2025	033544	ACTIO	Action Broadcasting Services	$679.00
0059559	4/30/2025	033545	ACWAJ	ACWA/JPIA	$741.00
0059560	4/30/2025	033546	ATOOL	A Tool Shed	$2,030.78
0059561	4/30/2025	033547	BEFOR	Before the Movie Inc	$438.00
0059562	4/30/2025	033548	BRIGA	Brigantino Irrigation	$2,068.49
0059563	4/30/2025	033549	CINTA	Cintas Corporation	$852.95
0059564	4/30/2025	033550	CMANA	CM Analytical Inc	$360.00
0059565	4/30/2025	033551	DAHL	DAHL Consultants	$8,160.00
0059566	4/30/2025	033552	DATAF	Dataflow Business Systems Inc	$909.45
0059567	4/30/2025	033553	DOKKE	Dokken Engineering	$230.00
0059568	4/30/2025	033554	DONCH	Don Chapin Company Inc	$3,853.26
0059569	4/30/2025	033555	DWR	Dept. of Water Resources	$39,070.00
0059570	4/30/2025	033556	EDGES	Edges Electrical Group	$8,062.27
0059571	4/30/2025	033557	ELCCO	ELC Consulting	$26,164.59
0059572	4/30/2025	033558	FASTE	Fastenal Company	$321.27
0059573	4/30/2025	033559	FORDE	Ford Equipment Repair Co.	$1,000.00
0059574	4/30/2025	033560	GRAIN	GRAINGER	$653.14
0059575	4/30/2025	033561	GREENV	Green Valley Farm Supply Inc	$11,554.57
0059576	4/30/2025	033562	GROSS	Grossmayer & Associates	$1,595.00
0059577	4/30/2025	033563	GUTIE	Gutierrez Consultants	$34,440.00
0059578	4/30/2025	033564	HARRYBL	Harry Blohm	$1,937.50
0059579	4/30/2025	033565	HAUTO	Hollister Auto Parts Inc	$683.82
0059580	4/30/2025	033566	HDRENG	HDR Engineering Inc	$401,010.80
0059581	4/30/2025	033567	ICONI	ICONIX Waterworks Inc	$6,576.97
0059582	4/30/2025	033568	INDEP	Independent Business Forms Inc	$397.23
0059583	4/30/2025	033569	JACPA	Pat Jackson	$120.00
0059584	4/30/2025	033570	JOHNS	Johnson Lumber Company	$1,286.75
0059585	4/30/2025	033571	JUDYS	Judy's Gifts & Awards	$9.50
0059586	4/30/2025	033572	KENNE	Kennedy/Jenks Consultants Inc.	$24,477.88
0059587	4/30/2025	033573	KRONI	Kronick Moskovitz Tiedemann & Girard	$3,547.00
0059588	4/30/2025	033574	LANDS	Landscape Design by Rosemary Bridwell (	$400.00
0059589	4/30/2025	033575	LIEBE	Liebert Cassidy Whitmore	$180.00
0059590	4/30/2025	033576	MAVER	Maverick Welding Supply	$44.98
0059591	4/30/2025	033577	MCKIN	McKinnon Lumber Inc	$144.05
0059592	4/30/2025	033578	MCMAS	McMaster-Carr Supply Co	$539.35
0059593	4/30/2025	033579	MISSIO	Mission Village Voice Media LLC	$530.00
0059594	4/30/2025	033580	NEWSV	New SV Media Inc	$1,065.20
0059595	4/30/2025	033581	PALAC	Palace Business Solutions	$511.05
0059596	4/30/2025	033582	PITBO	Pitney Bowes	$912.14
0059597	4/30/2025	033583	RESER	Reserve Account	$1,000.00
0059598	4/30/2025	033584	ROSSI	Rossi's Tire & Auto Service	$1,500.05
0059599	4/30/2025	033585	SCVWD	Santa Clara Valley Water Dist	$43,200.00
0059600	4/30/2025	033586	SHRED	Shred-it	$334.35
0059601	4/30/2025	033587	SJELE	SJ Electro Systems Inc	$47,057.80
0059602	4/30/2025	033588	SPURZ	Spurzem & Liem LLP	$3,710.00

* Voided Checks

Check #	Date	Payment Number	Vendor ID	Check Name	Amount
0059603	4/30/2025	033589	SSCWD-TP	Sunnyslope County Water District	$210,033.29
0059604	4/30/2025	033590	TODDE	Todd Groundwater	$20,778.00
0059605	4/30/2025	033591	TOROP	Toro Petroleum Corporation	$3,371.96
0059606	4/30/2025	033592	TRUEP	TruePoint Solutions	$13,653.78
0059607	4/30/2025	033593	TURBO	Turbo Time Welding	$1,375.00
0059608	4/30/2025	033594	TYLER	Tyler Technologies	$7,072.00
0059609	4/30/2025	033595	USABL	USA BlueBook	$380.60
0059610	4/30/2025	033596	USBNK-CC	US Bank Corporation	$12,241.65
0059611	4/30/2025	033597	USGEO	U.S. Geological Survey	$25,752.50
0059612	4/30/2025	033598	VERDA	Verdant Commercial Capital LLC	$211.76
0059613	4/30/2025	033599	WRIIN	Wright Bros Industrial Supply	$45.77
0059614	4/30/2025	033600	ZEIAL	Alan Zeisbrich	$2,185.00

Total Checks: 59 Checks Total: $983,464.95

4-21-2025

* Voided Checks

Check #	Date	Payment Number	Vendor ID	Check Name	Amount

STATE OF CALIFORNIA
COUNTY OF SAN BENITO

I DO HEREBY CERTIFY, UNDER THE PENALTY OF PERJURY AT HOLLISTER, CALIFORNIA THIS 30TH DAY OF APRIL 2025 THAT THE FOREGOING DEMANDS ENUMERATED HAVE BEEN AUDITED; THAT THE SAME ARE ACCURATE AND JUST CLAIMS AGAINST THE DISTRICT; AND THAT THERE ARE FUNDS AVAILABLE FOR PAYMENT.

Prepared by: Assistant General Manager

Submitted by: General Manager

APPROVED BY BOARD OF DIRECTORS ON:_____

Date

_____

President

Payment#	Date	Check Total	Vendor ID	Vendor Name
033542	4/21/2025	$1,175.45	A&BFI	A & B Fire Protection & Safety, Inc.

Voucher:	052012	Invoice:	0412669	Date:	3/21/2025	Annual Fire Extinguisher Svc.	Doc Amt:	$1,175.45
	Allocations:		$117.55	100-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$58.77	300-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$999.13	600-6275-0000-563-06		CS-Maint 10/5/85		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $117.55 Fund 300: $58.77 Fund 600: $999.13
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033543	4/21/2025	$828.00	A1JAN	A-1 Services

Voucher:	052011	Invoice:	5018	Date:	4/1/2025	Janitorial Services	Doc Amt:	$828.00
	Allocations:		$54.00	100-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$27.00	300-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$459.00	600-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$28.80	100-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$14.40	300-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$244.80	600-6275-0000-563-06		CS-Maint 10/5/85		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $82.80 Fund 300: $41.40 Fund 600: $703.80
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033544	4/21/2025	$679.00	ACTIO	Action Broadcasting Services

Voucher:	052013	Invoice:	71040	Date:	3/18/2025	Public Outreach Radio Ad	Doc Amt:	$679.00
	Allocations:		$679.00	803-6865-0000-562		Advertising/Public Info (PI)		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $0.00
Fund 700: $0.00 Fund 803:$679.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033545	4/21/2025	$741.00	ACWAJ	ACWA/JPIA

Voucher:	052165	Invoice:	0000000118	Date:	4/17/2025	Cyber Liability Premium	Doc Amt:	$741.00
	Allocations:		$74.10	100-6871-0000-564		Insurance		
	Allocations:		$37.05	300-6871-0000-564		Insurance		
	Allocations:		$629.85	600-6871-0000-564		Insurance		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $74.10 Fund 300: $37.05 Fund 600: $629.85
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033546	4/21/2025	$2,030.78	ATOOL	A Tool Shed

Voucher:	052014	Invoice:	1735641-7	Date:	3/20/2025	Maintenance Equipment Rental	Doc Amt:	$371.83
	Allocations:		$371.83	600-1395-0929-112		SCADA telemetry upgrade		
Voucher:	052015	Invoice:	1737837-7	Date:	4/7/2025	Maintenance Equipment Rental	Doc Amt:	$387.28
	Allocations:		$387.28	600-1395-0929-112		SCADA telemetry upgrade		
Voucher:	052016	Invoice:	1737920-7	Date:	4/4/2025	Maintenance Equipment Rental	Doc Amt:	$1,106.87
	Allocations:		$1,106.87	600-6450-0000-542		Tool & Equipment Rental-TM		
Voucher:	052140	Invoice:	1739765-7	Date:	4/15/2025	Maintenance Equipment Rental	Doc Amt:	$164.80
	Allocations:		$164.80	600-6450-0000-542		Tool & Equipment Rental-TM		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $2,030.78
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033547	4/21/2025	$438.00	BEFOR	Before the Movie Inc

Voucher:	052017	Invoice:	54214	Date:	4/1/2025	On-Screen Ad	Doc Amt:	$438.00
	Allocations:		$438.00	803-6865-0000-562		Advertising/Public Info (PI)		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $0.00
Fund 700: $0.00 Fund 803:$438.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033548	4/21/2025	$2,068.49	BRIGA	Brigantino Irrigation

Voucher:	052018	Invoice:	220000100639	Date:	3/12/2025	Maintenance Supplies	Doc Amt:	$147.76
	Allocations:		$147.76	600-6320-0000-542		Supplies-TM		
Voucher:	052019	Invoice:	220000102295	Date:	3/28/2025	Maintenance Supplies	Doc Amt:	$55.36
	Allocations:		$55.36	600-6320-0920-542		Supplies-TM - Subsystem Breaks		
Voucher:	052020	Invoice:	220000102640	Date:	4/1/2025	Maintenance Supplies	Doc Amt:	$1,340.50
	Allocations:		$1,340.50	600-6320-0920-542		Supplies-TM - Subsystem Breaks		
Voucher:	052141	Invoice:	220000104372	Date:	4/16/2025	Maintenance Supplies	Doc Amt:	$301.42
	Allocations:		$301.42	600-6320-0920-542		Supplies-TM - Subsystem Breaks		
Voucher:	052173	Invoice:	220000104734	Date:	4/18/2025	Maintenance Supplies	Doc Amt:	$223.45
	Allocations:		$223.45	600-6320-0920-542		Supplies-TM - Subsystem Breaks		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $2,068.49
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033549	4/21/2025	$852.95	CINTA	Cintas Corporation

Voucher: 052021 Invoice: 4225198226 Date: 3/25/2025 Weekly Service Doc Amt: $156.46

Allocations:	$15.65	100-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$7.82	300-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$132.99	600-6275-0000-563-06	CS-Maint 10/5/85

Voucher: 052022 Invoice: 4226616767 Date: 4/8/2025 Weekly Service Doc Amt: $156.46

Allocations:	$15.65	100-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$7.82	300-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$132.99	600-6275-0000-563-06	CS-Maint 10/5/85

Voucher: 052042 Invoice: 4225801725 Date: 3/31/2025 Weekly Service Doc Amt: $156.46

Allocations:	$15.65	100-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$7.82	300-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$132.99	600-6275-0000-563-06	CS-Maint 10/5/85

Voucher: 052143 Invoice: 4227425300 Date: 4/15/2025 Weekly Service Doc Amt: $156.46

Allocations:	$15.65	100-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$7.82	300-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$132.99	600-6275-0000-563-06	CS-Maint 10/5/85

Voucher: 052170 Invoice: 1905616931 Date: 4/17/2025 Maintenance Supplies Doc Amt: $227.11

Allocations:	$227.11	600-6320-0000-562	Supplies-GA

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $62.58 Fund 300: $31.29 Fund 600: $759.07
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033550	4/21/2025	$360.00	CMANA	CM Analytical Inc

Voucher: 052145 Invoice: 84418 Date: 4/11/2025 Water Quality Testing Doc Amt: $360.00

Allocations:	$240.00	600-6270-0000-541	CS-Operations-TO
Allocations:	$120.00	600-6270-0604-541	CS Operations Recycled Water Project

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $360.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033551	4/21/2025	$8,160.00	DAHL	DAHL Consultants

Voucher: 052102 Invoice: 1495 Date: 4/9/2025 Project Management for ADRoP Doc Amt: $8,160.00

Allocations:	$8,160.00	600-1351-C129-151	Grant Expense - ADRoP (DWR $11.5 M)

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $8,160.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033552	4/21/2025	$909.45	DATAF	Dataflow Business Systems Inc

Voucher:	052023	Invoice:	418605	Date:	4/3/2025	Copier Lease	Doc Amt: $360.99
	Allocations:	$36.10	100-6275-0000-563-06	CS-Maint 10/5/85			
	Allocations:	$18.05	300-6275-0000-563-06	CS-Maint 10/5/85			
	Allocations:	$306.84	600-6275-0000-563-06	CS-Maint 10/5/85			
Voucher:	052146	Invoice:	419617	Date:	4/14/2025	Panasonic KV-S7097 Repair	Doc Amt: $548.46
	Allocations:	$54.85	100-6275-0000-563-06	CS-Maint 10/5/85			
	Allocations:	$27.42	300-6275-0000-563-06	CS-Maint 10/5/85			
	Allocations:	$466.19	600-6275-0000-563-06	CS-Maint 10/5/85			

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $90.95 Fund 300: $45.47 Fund 600: $773.03
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033553	4/21/2025	$230.00	DOKKE	Dokken Engineering

Voucher:	052166	Invoice:	48785	Date:	4/4/2025	Engineering Services	Doc Amt: $230.00
	Allocations:	$230.00	600-1351-0168-151	Pajaro Watershed IRWMP			

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $230.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033554	4/21/2025	$3,853.26	DONCH	Don Chapin Company Inc

Voucher:	052024	Invoice:	193948	Date:	3/20/2025	Maintenance Supplies	Doc Amt: $328.04
	Allocations:	$328.04	600-6320-0920-542	Supplies-TM - Subsystem Breaks			
Voucher:	052025	Invoice:	193949	Date:	3/20/2025	Maintenance Supplies	Doc Amt: $203.45
	Allocations:	$203.45	600-6320-0000-562	Supplies-GA			
Voucher:	052026	Invoice:	194030	Date:	3/24/2025	Maintenance Supplies	Doc Amt: $2,733.88
	Allocations:	$2,733.88	600-6320-0000-541	Supplies-TO			
Voucher:	052108	Invoice:	194306	Date:	3/28/2025	District Supplies	Doc Amt: $587.89
	Allocations:	$29.39	300-6320-0000-562-06	Supplies-GA 10/5/85			
	Allocations:	$499.71	600-6320-0000-562-06	Supplies-GA 10/5/85			
	Allocations:	$58.79	100-6320-0000-562-06	Supplies-GA 10/5/85			

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $58.79 Fund 300: $29.39 Fund 600: $3,765.08
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033555	4/21/2025	$39,070.00	DWR	Dept. of Water Resources

Voucher:	052168	Invoice:	1800173312	Date:	3/10/2025	Annual Dam Fees	Doc Amt: $39,070.00
	Allocations:	$30,875.00	300-6820-0000-562	Dues and Fee			
	Allocations:	$8,195.00	300-6820-0000-562	Dues and Fee			

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $39,070.00 Fund 600: $0.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033556	4/21/2025	$8,062.27	EDGES	Edges Electrical Group

Voucher:	052027	Invoice:	S6372999.001	Date:	3/13/2025	Electrical Supplies	Doc Amt: $2,017.24
	Allocations:	$2,017.24	600-6320-0000-542	Supplies-TM			
Voucher:	052028	Invoice:	S6360516.003	Date:	3/3/2025	Electrical Supplies	Doc Amt: $2,389.42
	Allocations:	$2,389.42	600-6320-0000-542	Supplies-TM			
Voucher:	052029	Invoice:	S6402208.001	Date:	3/27/2025	Electrical Supplies	Doc Amt: $168.68
	Allocations:	$8.43	300-6320-0000-562-06	Supplies-GA 10/5/85			
	Allocations:	$143.38	600-6320-0000-562-06	Supplies-GA 10/5/85			
	Allocations:	$16.87	100-6320-0000-562-06	Supplies-GA 10/5/85			
Voucher:	052103	Invoice:	S6402208.002	Date:	4/3/2025	Electrical Supplies	Doc Amt: $508.24
	Allocations:	$508.24	600-6321-0000-522	Supplies - Structure Equipment PM			
Voucher:	052104	Invoice:	S6328899.001	Date:	2/28/2025	Electrical Supplies	Doc Amt: $2,978.69
	Allocations:	$2,978.69	600-6321-0000-522	Supplies - Structure Equipment PM			

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $16.87 Fund 300: $8.43 Fund 600: $8,036.97
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033557	4/21/2025	$26,164.59	ELCCO	ELC Consulting

Voucher:	052030	Invoice:	10159	Date:	3/1/2025	Monthly Service Agreement	Doc Amt: $6,897.00
	Allocations:	$659.70	100-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$329.85	300-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$5,607.45	600-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$300.00	600-6260-0000-563	CS-Computer-GA			
Voucher:	052031	Invoice:	10160	Date:	3/1/2025	Monthly Service Agreement	Doc Amt: $1,480.00
	Allocations:	$790.00	600-6260-0603-531	CS Computer - West Hills WTP			
	Allocations:	$690.00	600-6260-0602-531	CS Computer - Lessalt WTP			
Voucher:	052032	Invoice:	10161	Date:	3/1/2025	Monthly Service Agreement	Doc Amt: $100.00
	Allocations:	$100.00	803-6260-0000-563	CS - Computers			

Voucher:	052033	Invoice:	10230	Date:	3/27/2025	Server Hardware	Doc Amt: $650.04
	Allocations:	$65.00	100-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$32.50	300-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$552.53	600-6260-0000-563-06	CS-Computer (10/5/85)			
Voucher:	052034	Invoice:	10235	Date:	3/27/2025	Annual Security Software	Doc Amt: $1,664.40
	Allocations:	$166.44	100-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$83.22	300-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$1,414.74	600-6260-0000-563-06	CS-Computer (10/5/85)			
Voucher:	052035	Invoice:	10250	Date:	4/1/2025	Monthly Service Agreement	Doc Amt: $6,897.00
	Allocations:	$659.70	100-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$329.85	300-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$5,607.45	600-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$300.00	600-6260-0000-563	CS-Computer-GA			
Voucher:	052036	Invoice:	10211	Date:	3/20/2025	Project Planner Software	Doc Amt: $360.00
	Allocations:	$36.00	100-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$18.00	300-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$306.00	600-6260-0000-563-06	CS-Computer (10/5/85)			
Voucher:	052037	Invoice:	10251	Date:	4/1/2025	Monthly Service Agreement	Doc Amt: $1,480.00
	Allocations:	$790.00	600-6260-0603-531	CS Computer - West Hills WTP			
	Allocations:	$690.00	600-6260-0602-531	CS Computer - Lessalt WTP			
Voucher:	052038	Invoice:	10252	Date:	4/1/2025	Monthly Service Agreement	Doc Amt: $100.00
	Allocations:	$100.00	803-6260-0000-563	CS - Computers			
Voucher:	052101	Invoice:	9945	Date:	10/31/2024	Monthly Service Agreement	Doc Amt: $609.62
	Allocations:	$60.96	100-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$30.48	300-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$518.18	600-6260-0000-563-06	CS-Computer (10/5/85)			
Voucher:	052150	Invoice:	10307	Date:	4/14/2025	Monthly Service Agreement	Doc Amt: $1,350.00
	Allocations:	$135.00	100-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$67.50	300-6260-0000-563-06	CS-Computer (10/5/85)			
	Allocations:	$1,147.50	600-6260-0000-563-06	CS-Computer (10/5/85)			
Voucher:	052151	Invoice:	10291	Date:	4/14/2025	Computer Equipment	Doc Amt: $180.00
	Allocations:	$18.00	100-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85			
	Allocations:	$9.00	300-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85			
	Allocations:	$153.00	600-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85			
Voucher:	052161	Invoice:	10292	Date:	4/14/2025	Computer Equipment	Doc Amt: $2,840.50
	Allocations:	$284.05	100-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85			
	Allocations:	$142.03	300-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85			
	Allocations:	$2,414.43	600-6440-0000-562-06	Office Furn/Equipment Purchase 10/5/85			

Voucher: 052162 Invoice: 10293 Date: 4/14/2025 Computer Equipment Doc Amt: $1,016.03
Allocations: $101.60 100-6440-0000-562-06 Office Furn/Equipment Purchase 10/5/85
Allocations: $50.80 300-6440-0000-562-06 Office Furn/Equipment Purchase 10/5/85
Allocations: $863.63 600-6440-0000-562-06 Office Furn/Equipment Purchase 10/5/85

Voucher: 052163 Invoice: 10308 Date: 4/14/2025 Monthly Service Agreement Doc Amt: $540.00
Allocations: $54.00 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $27.00 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $459.00 600-6260-0000-563-06 CS-Computer (10/5/85)

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $2,240.46 Fund 300: $1,120.23 Fund 600: $22,603.90
Fund 700: $0.00 Fund 803:$200.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033558	4/21/2025	$321.27	FASTE	Fastenal Company

Voucher: 052039 Invoice: CAHOS68695 Date: 3/14/2025 Maintenance Supplies Doc Amt: $72.94
Allocations: $72.94 600-6320-0000-542 Supplies-TM

Voucher: 052040 Invoice: CAHOS68653 Date: 3/13/2025 Maintenance Supplies Doc Amt: $248.33
Allocations: $248.33 600-6320-0000-542 Supplies-TM

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $321.27
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033559	4/21/2025	$1,000.00	FORDE	Ford Equipment Repair Co.

Voucher: 052152 Invoice: 4219 Date: 4/11/2025 Maintenance-Heavy Equipment Doc Amt: $1,000.00
Allocations: $1,000.00 600-6482-0000-562 Equipment Maintenance-Heavy

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $1,000.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033560	4/21/2025	$653.14	GRAIN	GRAINGER

Voucher: 052041 Invoice: 9450933891 Date: 3/25/2025 Maintenance Supplies Doc Amt: $573.08
Allocations: $573.08 600-6337-0916-551 Chemigation Valves-- (New)-CA

Voucher: 052043 Invoice: 9451768593 Date: 3/26/2025 Maintenance Supplies Doc Amt: $20.02
Allocations: $20.02 600-6320-0000-542 Supplies-TM

Voucher: 052044 Invoice: 9464190728 Date: 4/7/2025 Maintenance Supplies Doc Amt: $60.04
Allocations: $60.04 600-6337-0915-551 Meters and meter repair parts-CA

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $653.14
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033561	4/21/2025	$11,554.57	GREENV	Green Valley Farm Supply Inc

Voucher: 052045 Invoice: 441964 Date: 3/31/2025 Paicines Canal Maintenance Doc Amt: $11,554.57
Allocations: $11,554.57 300-6275-0000-512 CS-Maintenance-SSM

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $11,554.57 Fund 600: $0.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033562	4/21/2025	$1,595.00	GROSS	Grossmayer & Associates

Voucher: 052046 Invoice: IVC3864 Date: 3/25/2025 Consulting Services Doc Amt: $435.00
Allocations: $43.50 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $21.75 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $369.75 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052153 Invoice: IVC3866 Date: 4/8/2025 Consulting Services Doc Amt: $290.00
Allocations: $29.00 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $14.50 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $246.50 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052154 Invoice: IVC3868 Date: 4/11/2025 Consulting Services Doc Amt: $435.00
Allocations: $43.50 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $21.75 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $369.75 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052164 Invoice: IVC3871 Date: 4/15/2025 Consulting Services Doc Amt: $435.00
Allocations: $43.50 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $21.75 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $369.75 600-6260-0000-563-06 CS-Computer (10/5/85)

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $159.50 Fund 300: $79.75 Fund 600: $1,355.75
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033563	4/21/2025	$34,440.00	GUTIE	Gutierrez Consultants

Voucher: 052047 Invoice: 1972 Date: 3/27/2025 Consulting Services Doc Amt: $9,380.00
Allocations: $9,380.00 600-1351-0168-151 Pajaro Watershed IRWMP

Voucher: 052048 Invoice: 1973 Date: 3/27/2025 Consulting Services Doc Amt: $2,800.00
Allocations: $2,800.00 600-1351-C129-151 Grant Expense - ADRoP (DWR $11.5 M)

Voucher: 052049 Invoice: 1971 Date: 3/27/2025 Consulting Services Doc Amt: $7,000.00
Allocations: $7,000.00 600-1351-D129-151 Grant Expense - ADRoP (USBR $6.7 M)

Voucher: 052050 Invoice: 1980 Date: 4/3/2025 Consulting Services Doc Amt: $5,530.00
Allocations: $5,530.00 600-1351-D129-151 Grant Expense - ADRoP (USBR $6.7 M)

Voucher: 052051 Invoice: 1979 Date: 4/3/2025 Consulting Services Doc Amt: $8,540.00
Allocations: $8,540.00 600-1351-0168-151 Pajaro Watershed IRWMP

Voucher: 052052 Invoice: 1978 Date: 4/3/2025 Consulting Services Doc Amt: $1,190.00
Allocations: $1,190.00 600-1351-C129-151 Grant Expense - ADRoP (DWR $11.5 M)

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $34,440.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033564	4/21/2025	$1,937.50	HARRYBL	Harry Blohm

Voucher: 052056 Invoice: 040125 Date: 4/1/2025 Consulting Services Doc Amt: $1,937.50
Allocations: $1,937.50 600-1351-0168-151 Pajaro Watershed IRWMP

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $1,937.50
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033565	4/21/2025	$683.82	HAUTO	Hollister Auto Parts Inc

Voucher: 052053 Invoice: 001540 Date: 3/20/2025 San Justo Generator Repair Doc Amt: $140.91
Allocations: $140.91 600-6482-0000-562 Equipment Maintenance-Heavy

Voucher: 052054 Invoice: 001216 Date: 3/17/2025 Shop Supplies Doc Amt: $61.14
Allocations: $61.14 600-6320-0000-562 Supplies-GA

Voucher: 052055 Invoice: 003466 Date: 4/8/2025 Maintenance Supplies Doc Amt: $481.77
Allocations: $481.77 600-6440-0000-542 Equipment Purchase-TM

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $683.82
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033566	4/21/2025	$401,010.80	HDRENG	HDR Engineering Inc

Voucher: 052057 Invoice: 1200705477 Date: 3/13/2025 Engineering Services Doc Amt: $368,900.85
Allocations: $368,900.85 600-1351-0168-151 Pajaro Watershed IRWMP

Voucher: 052058 Invoice: 1200705817 Date: 3/14/2025 Engineering Services Doc Amt: $32,109.95
Allocations: $32,109.95 600-1351-0168-151 Pajaro Watershed IRWMP

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $401,010.80
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033567	4/21/2025	$6,576.97	ICONI	ICONIX Waterworks Inc

Voucher:	052059	Invoice:	U2516011221	Date:	4/1/2025	Maintenance Supplies	Doc Amt:	$657.20
	Allocations:		$657.20	600-6320-0000-542		Supplies-TM		
Voucher:	052060	Invoice:	U2516011634	Date:	4/3/2025	Maintenance Supplies	Doc Amt:	$3,002.64
	Allocations:		$3,002.64	600-6337-0604-551		Meters & Valves		
Voucher:	052167	Invoice:	U2516013333	Date:	4/15/2025	Maintenance Supplies	Doc Amt:	$2,917.13
	Allocations:		$1,189.23	600-6320-0920-542		Supplies-TM - Subsystem Breaks		
	Allocations:		$1,727.90	600-6320-0920-542		Supplies-TM - Subsystem Breaks		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $6,576.97
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033568	4/21/2025	$397.23	INDEP	Independent Business Forms Inc

Voucher:	052109	Invoice:	43891	Date:	4/3/2025	Printing Services	Doc Amt:	$294.63
	Allocations:		$250.44	600-6835-0000-562-06		Office Supplies 10/5/85 GA		
	Allocations:		$14.73	300-6835-0000-562-06		Office Supplies 10/5/85 GA		
	Allocations:		$29.46	100-6835-0000-562-06		Office Supplies 10/5/85 GA		
Voucher:	052155	Invoice:	43912	Date:	4/10/2025	Printing Services	Doc Amt:	$102.60
	Allocations:		$87.21	600-6835-0000-562-06		Office Supplies 10/5/85 GA		
	Allocations:		$5.13	300-6835-0000-562-06		Office Supplies 10/5/85 GA		
	Allocations:		$10.26	100-6835-0000-562-06		Office Supplies 10/5/85 GA		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $39.72 Fund 300: $19.86 Fund 600: $337.65
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033569	4/21/2025	$120.00	JACPA	Pat Jackson

Voucher:	052061	Invoice:	032425	Date:	3/24/2025	Backflow Testing Service	Doc Amt:	$120.00
	Allocations:		$12.00	100-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$6.00	300-6275-0000-563-06		CS-Maint 10/5/85		
	Allocations:		$102.00	600-6275-0000-563-06		CS-Maint 10/5/85		

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $12.00 Fund 300: $6.00 Fund 600: $102.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033570	4/21/2025	$1,286.75	JOHNS	Johnson Lumber Company

Voucher:	052062	Invoice:	282719		Date:	3/24/2025	Maintenance Supplies	Doc Amt:	$128.78
	Allocations:		$128.78	600-6320-0000-542		Supplies-TM			
Voucher:	052063	Invoice:	282766		Date:	3/25/2025	Maintenance Supplies	Doc Amt:	$200.92
	Allocations:		$200.92	600-6320-0000-542		Supplies-TM			
Voucher:	052064	Invoice:	282715		Date:	3/24/2025	Maintenance Supplies	Doc Amt:	$131.09
	Allocations:		$131.09	600-6320-0000-542		Supplies-TM			
Voucher:	052065	Invoice:	282804		Date:	3/26/2025	District Supplies	Doc Amt:	$9.11
	Allocations:		$9.11	600-6320-0000-562		Supplies-GA			
Voucher:	052066	Invoice:	282657		Date:	3/20/2025	WRA Outreach Supplies	Doc Amt:	$120.16
	Allocations:		$120.16	803-6320-0000-562		Supplies (PI)			
Voucher:	052067	Invoice:	282941		Date:	4/1/2025	Electrical Supplies	Doc Amt:	$127.06
	Allocations:		$127.06	600-6320-0000-542		Supplies-TM			
Voucher:	052105	Invoice:	282743		Date:	3/24/2025	Maintenance Supplies	Doc Amt:	$98.31
	Allocations:		$98.31	600-6310-0000-542		Chemicals-TM			
Voucher:	052106	Invoice:	283110		Date:	4/7/2025	Maintenance Supplies	Doc Amt:	$27.92
	Allocations:		$27.92	600-6320-0000-562		Supplies-GA			
Voucher:	052171	Invoice:	283468		Date:	4/17/2025	Engineering Supplies	Doc Amt:	$421.57
	Allocations:		$421.57	600-6320-0000-542		Supplies-TM			
Voucher:	052174	Invoice:	283476		Date:	4/18/2025	Maintenance Supplies	Doc Amt:	$21.83
	Allocations:		$2.18	100-6320-0000-562		Supplies-GA			
	Allocations:		$1.09	300-6320-0000-562		Supplies-GA			
	Allocations:		$18.56	600-6320-0000-562		Supplies-GA			

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $2.18 Fund 300: $1.09 Fund 600: $1,163.32
Fund 700: $0.00 Fund 803:$120.16

Payment#	Date	Check Total	Vendor ID	Vendor Name
033571	4/21/2025	$9.50	JUDYS	Judy's Gifts & Awards

Voucher:	052068	Invoice:	4978		Date:	3/26/2025	Award Plaques	Doc Amt:	$9.50
	Allocations:		$8.08	600-6845-0000-562-06		General Business Exp 10/5/85			
	Allocations:		$0.95	100-6845-0000-562-06		General Business Exp 10/5/85			
	Allocations:		$0.48	300-6845-0000-562-06		General Business Exp 10/5/85			

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.95 Fund 300: $0.48 Fund 600: $8.08
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033572	4/21/2025	$24,477.88	KENNE	Kennedy/Jenks Consultants Inc.

Voucher: 052069 Invoice: 179014 Date: 4/2/2025 Engineering Services Doc Amt: $24,477.88
Allocations: $24,477.88 600-1351-C129-151 Grant Expense - ADRoP (DWR $11.5 M)

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $24,477.88
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033573	4/21/2025	$3,547.00	KRONI	Kronick, Moskovitz,Tiedemann & Gir

Voucher: 052175 Invoice: 30912353 Date: 4/16/2025 Legal Services Doc Amt: $3,547.00
Allocations: $3,547.00 600-6210-0000-563 CS-Legal-GA

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $3,547.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033574	4/21/2025	$400.00	LANDS	Landscape Design by Rosemary Bridw

Voucher: 052070 Invoice: 032125 Date: 3/21/2025 Landscape Plan Review Doc Amt: $400.00
Allocations: $400.00 803-6240-0000-563 CS - General Consulting (Plan Cks/Rev)

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $0.00
Fund 700: $0.00 Fund 803:$400.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033575	4/21/2025	$180.00	LIEBE	Liebert Cassidy Whitmore Prof Law C

Voucher: 052071 Invoice: 288544 Date: 2/28/2025 Legal Services Doc Amt: $180.00
Allocations: $18.00 100-6210-0000-563-06 CS-Legal GA 10/5/85
Allocations: $9.00 300-6210-0000-563-06 CS-Legal GA 10/5/85
Allocations: $153.00 600-6210-0000-563-06 CS-Legal GA 10/5/85

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $18.00 Fund 300: $9.00 Fund 600: $153.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033576	4/21/2025	$44.98	MAVER	Maverick Welding Supply

Voucher: 052072 Invoice: 50537 Date: 3/26/2025 Welding Supplies Doc Amt: $44.98
Allocations: $44.98 600-6197-0000-565 Personal Equipment/Uniform

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $44.98
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033577	4/21/2025	$144.05	MCKIN	McKinnon Lumber, Inc.

Voucher: 052172 Invoice: XA4PP Date: 4/17/2025 Maintenance Supplies Doc Amt: $87.35
Allocations: $87.35 600-6320-0920-542 Supplies-TM - Subsystem Breaks

Voucher: 052176 Invoice: 65QD6 Date: 4/18/2025 Maintenance Supplies Doc Amt: $56.70
Allocations: $56.70 600-6320-0920-542 Supplies-TM - Subsystem Breaks

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $144.05
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033578	4/21/2025	$539.35	MCMAS	McMaster-Carr Supply Co

Voucher: 052073 Invoice: 42729275 Date: 3/21/2025 Maintenance Supplies Doc Amt: $92.56
Allocations: $92.56 600-6321-0000-542 Supplies-Structure Equip TDM

Voucher: 052074 Invoice: 42654637 Date: 3/20/2025 Electrical Supplies Doc Amt: $323.14
Allocations: $323.14 600-6321-0000-542 Supplies-Structure Equip TDM

Voucher: 052107 Invoice: 43815973 Date: 4/10/2025 Maintenance Supplies Doc Amt: $123.65
Allocations: $123.65 600-6320-0000-562 Supplies-GA

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $539.35
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033579	4/21/2025	$530.00	MISSIO	Mission Village Voice Media LLC

Voucher: 052075 Invoice: 1299 Date: 3/29/2025 Monthly Print Ad Doc Amt: $530.00
Allocations: $530.00 803-6865-0000-562 Advertising/Public Info (PI)

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $0.00
Fund 700: $0.00 Fund 803:$530.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033580	4/21/2025	$1,065.20	NEWSV	New SV Media, Inc

Voucher: 052076 Invoice: 138816 Date: 3/24/2025 3/28/25 Public Notice Doc Amt: $110.00
Allocations: $110.00 600-1351-0168-151 Pajaro Watershed IRWMP

Voucher: 052177 Invoice: 140126 Date: 4/7/2025 04/11 & 4/18 Notice to bid Doc Amt: $477.60
Allocations: $477.60 600-1351-0168-151 Pajaro Watershed IRWMP

Voucher: 052178 Invoice: 140125 Date: 4/7/2025 4/11 & 4/18 Notice to bid Doc Amt: $477.60
Allocations: $477.60 600-1351-0168-151 Pajaro Watershed IRWMP

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $1,065.20
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033581	4/21/2025	$511.05	PALAC	Palace Business Solutions

Voucher: 052077 Invoice: 2416191-1 Date: 3/20/2025 Office Supplies Doc Amt: $18.50
Allocations: $15.73 600-6835-0000-562-06 Office Supplies 10/5/85 GA
Allocations: $0.93 300-6835-0000-562-06 Office Supplies 10/5/85 GA
Allocations: $1.85 100-6835-0000-562-06 Office Supplies 10/5/85 GA

Voucher: 052110 Invoice: 2422092-0 Date: 4/10/2025 Office Supplies Doc Amt: $42.23
Allocations: $35.90 600-6835-0000-562-06 Office Supplies 10/5/85 GA
Allocations: $2.11 300-6835-0000-562-06 Office Supplies 10/5/85 GA
Allocations: $4.22 100-6835-0000-562-06 Office Supplies 10/5/85 GA

Voucher: 052179 Invoice: 2424134-0 Date: 4/21/2025 Office Supplies Doc Amt: $450.32
Allocations: $382.77 600-6835-0000-562-06 Office Supplies 10/5/85 GA
Allocations: $22.52 300-6835-0000-562-06 Office Supplies 10/5/85 GA
Allocations: $45.03 100-6835-0000-562-06 Office Supplies 10/5/85 GA

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $51.11 Fund 300: $25.55 Fund 600: $434.39
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033582	4/21/2025	$912.14	PITBO	Pitney Bowes

Voucher: 052078 Invoice: 3107152111 Date: 3/18/2025 Mail System Rental- QTRLY Doc Amt: $912.14
Allocations: $91.21 100-6450-0000-562-06 Tool & Equipment Rental GA 10/5/85
Allocations: $45.61 300-6450-0000-562-06 Tool & Equipment Rental GA 10/5/85
Allocations: $775.32 600-6450-0000-562-06 Tool & Equipment Rental GA 10/5/85

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $91.21 Fund 300: $45.61 Fund 600: $775.32
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033583	4/21/2025	$1,000.00	RESER	Reserve Account

Voucher: 052079 Invoice: 040225 Date: 4/2/2025 Postage On Account Doc Amt: $1,000.00
Allocations: $970.00 600-6825-0000-562-06 Postage 2/1/97
Allocations: $20.00 100-6825-0000-562-06 Postage 2/1/97
Allocations: $10.00 300-6825-0000-562-06 Postage 2/1/97

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $20.00 Fund 300: $10.00 Fund 600: $970.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033584	4/21/2025	$1,500.05	ROSSI	Rossi's Tire & Auto Service

Voucher: 052156 Invoice: S1B78792 Date: 4/14/2025 Vehicle Maintenance #24 Doc Amt: $1,500.05

Allocations:	$1,500.05	600-6460-0000-562	Vehicle Maintenance-GA

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $1,500.05
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033585	4/21/2025	$43,200.00	SCVWD	Santa Clara Valley Water Dist

Voucher: 052098 Invoice: GN103273 Date: 3/21/2025 Semitropic O&M CY 2024 Doc Amt: $43,200.00

Allocations:	$43,200.00	600-1501-0210-125	Water Rights - Semitropic Strd Water

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $43,200.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033586	4/21/2025	$334.35	SHRED	Shred-it

Voucher: 052080 Invoice: 8010344407 Date: 3/31/2025 Monthly Shredding Service Doc Amt: $334.35

Allocations:	$33.44	100-6270-0000-563-06	CS-Operations GA 10/5/85
Allocations:	$16.72	300-6270-0000-563-06	CS-Operations GA 10/5/85
Allocations:	$284.20	600-6270-0000-563-06	CS-Operations GA 10/5/85

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $33.44 Fund 300: $16.72 Fund 600: $284.20
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033587	4/21/2025	$47,057.80	SJELE	S.J. Electro Systems, Inc.

Voucher: 052081 Invoice: CD99565211 Date: 3/28/2025 Scada Support Doc Amt: $47,057.80

Allocations:	$47,057.80	600-1395-0929-112	SCADA telemetry upgrade

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $47,057.80
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033588	4/21/2025	$3,710.00	SPURZ	Spurzem & Liem LLP

Voucher: 052082 Invoice: 63946 Date: 4/2/2025 Legal Services Doc Amt: $3,710.00

Allocations:	$306.00	100-6210-0000-563-06	CS-Legal GA 10/5/85
Allocations:	$153.00	300-6210-0000-563-06	CS-Legal GA 10/5/85
Allocations:	$2,601.00	600-6210-0000-563-06	CS-Legal GA 10/5/85
Allocations:	$650.00	600-6210-0000-563	CS-Legal-GA

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $306.00 Fund 300: $153.00 Fund 600: $3,251.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033589	4/21/2025	$210,033.29	SSCWD-TP	Sunnyslope County Water District

Voucher: 052139 Invoice: INV00303 Date: 3/31/2025 Plant Operations- West Hills Doc Amt: $147,728.18
Allocations: $147,728.18 600-6270-0603-531 CS Operations - West Hills WTP

Voucher: 052142 Invoice: INV00304 Date: 3/31/2025 Plant Operations- Lessalt Doc Amt: $62,305.11
Allocations: $62,305.11 600-6270-0602-531 CS Operations - Lessalt WTP

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $210,033.29
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033590	4/21/2025	$20,778.00	TODDE	Todd Groundwater

Voucher: 052083 Invoice: 37658 325 Date: 3/8/2025 Engineering Services Doc Amt: $12,845.00
Allocations: $12,845.00 600-1351-0168-151 Pajaro Watershed IRWMP

Voucher: 052157 Invoice: 37653 425 Date: 4/8/2025 Engineering Services Doc Amt: $7,150.50
Allocations: $7,150.50 700-6240-0160-511 CS-Annual Grwtr Report-SSO

Voucher: 052158 Invoice: 37656 425 Date: 4/8/2025 Engineering Services Doc Amt: $782.50
Allocations: $782.50 700-6270-0000-511 CS - Operations-SSO

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $12,845.00
Fund 700: $7,933.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033591	4/21/2025	$3,371.96	TOROP	Toro Petroleum Corporation

Voucher: 052084 Invoice: CL85172 Date: 3/31/2025 Vehicle Fuel Doc Amt: $3,371.96
Allocations: $9.87 100-6465-0000-562 Vehicle Fuel-GA

Allocations: $35.46 300-6465-0000-562 Vehicle Fuel-GA

Allocations: $3,154.26 600-6465-0000-562 Vehicle Fuel-GA

Allocations: $172.37 803-6465-0000-562 Vehicle Fuel

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $9.87 Fund 300: $35.46 Fund 600: $3,154.26
Fund 700: $0.00 Fund 803:$172.37

Payment#	Date	Check Total	Vendor ID	Vendor Name
033592	4/21/2025	$13,653.78	TRUEP	TruePoint Solutions

Voucher: 052085 Invoice: SI-002181 Date: 2/27/2025 Annual Support & Maintenance Doc Amt: $13,653.78

Allocations: $13,653.78 600-6260-0000-551 CS-Computer-CA

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $13,653.78
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033593	4/21/2025	$1,375.00	TURBO	Turbo Time Welding

Voucher: 052086 Invoice: 61 Date: 4/18/2025 Welding Services Doc Amt: $750.00
Allocations: $750.00 600-6275-0000-542 CS-Maintenance-TM

Voucher: 052159 Invoice: 1003 Date: 4/16/2025 Welding Services Doc Amt: $625.00
Allocations: $625.00 600-6275-0000-542 CS-Maintenance-TM

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $1,375.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033594	4/21/2025	$7,072.00	TYLER	Tyler Technologies

Voucher: 052087 Invoice: 025-501471 Date: 3/12/2025 Tyler Implementation Doc Amt: $130.00
Allocations: $13.00 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $6.50 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $110.50 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052088 Invoice: 025-502579 Date: 3/19/2025 Tyler Implementation Doc Amt: $130.00
Allocations: $13.00 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $6.50 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $110.50 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052089 Invoice: 025-502715 Date: 3/24/2025 Annual Project Accounting Doc Amt: $1,909.50
Allocations: $190.95 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $95.48 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $1,623.08 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052090 Invoice: 025-503120 Date: 3/26/2025 Tyler Implementation Doc Amt: $520.00
Allocations: $52.00 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $26.00 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $442.00 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052180 Invoice: 025-505694 Date: 4/9/2025 Tyler Implementation Doc Amt: $3,350.00
Allocations: $335.00 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $167.50 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $2,847.50 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052181 Invoice: 025-506353 Date: 4/9/2025 Tyler Implementation Doc Amt: $65.00
Allocations: $6.50 100-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $3.25 300-6260-0000-563-06 CS-Computer (10/5/85)
Allocations: $55.25 600-6260-0000-563-06 CS-Computer (10/5/85)

Voucher: 052182 Invoice: 025-503208 Date: 3/28/2025 Annual Saas fee -Fixed Assets Doc Amt: $967.50

Allocations:	$96.75	100-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	$48.38	300-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	$822.38	600-6260-0000-563-06	CS-Computer (10/5/85)

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $707.20 Fund 300: $353.60 Fund 600: $6,011.20
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033595	4/21/2025	$380.60	USABL	USA BlueBook

Voucher: 052097 Invoice: INV00657451 Date: 3/20/2025 Maintenance Supplies Doc Amt: $380.60

Allocations:	$380.60	600-6320-0000-542	Supplies-TM

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $380.60
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033596	4/21/2025	$12,241.65	USBNK-CC	U.S. Bank Corporation

Voucher: 052091 Invoice: 032425JCA Date: 3/24/2025 Monthly Statement Doc Amt: $22.04

Allocations:	$22.04	803-6865-0000-562	Advertising/Public Info (PI)

Voucher: 052092 Invoice: 032425BM Date: 3/24/2025 Monthly Statement Doc Amt: $3,743.21

Allocations:	$4.06	600-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$0.48	100-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$0.24	300-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$161.02	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$9.47	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$18.94	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$949.00	600-6852-0000-562	Conferences
Allocations:	$24.11	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$1.42	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$2.84	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$89.05	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$10.48	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$5.24	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$29.35	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$1.73	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$3.45	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$32.49	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$3.82	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$1.91	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$949.00	600-6852-0000-562	Conferences
Allocations:	$6.78	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$0.80	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$0.40	300-6845-0000-562-06	General Business Exp 10/5/85

Allocations:	$2.54	600-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$0.30	100-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$0.15	300-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$949.00	600-6852-0000-562	Conferences
Allocations:	$69.70	600-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$8.20	100-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$4.10	300-6840-0000-562-06	Communication GA 10/5/85
Allocations:	$26.78	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$3.15	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$1.58	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$131.60	600-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$15.48	100-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$7.74	300-6845-0000-562-06	General Business Exp 10/5/85
Allocations:	$17.18	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$1.01	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$2.02	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$18.38	600-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$1.08	300-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$2.16	100-6835-0000-562-06	Office Supplies 10/5/85 GA
Allocations:	$17.50	100-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$8.75	300-6275-0000-563-06	CS-Maint 10/5/85
Allocations:	$148.75	600-6275-0000-563-06	CS-Maint 10/5/85

Voucher: 052093 Invoice: CM032425BM Date: 3/24/2025 Monthly Statement Doc Amt: -$437.19

Allocations:	-$14.36	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	-$244.11	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	-$28.72	100-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	-$7.50	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	-$127.50	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	-$15.00	100-6850-0000-562-06	Travel & Mileage GA 10/5/85

Voucher: 052094 Invoice: 032425MC Date: 3/24/2025 Monthly Statement Doc Amt: $4,634.17

Allocations:	$12.37	300-6320-0000-562-06	Supplies-GA 10/5/85
Allocations:	$210.30	600-6320-0000-562-06	Supplies-GA 10/5/85
Allocations:	$24.74	100-6320-0000-562-06	Supplies-GA 10/5/85
Allocations:	$572.96	600-6320-0000-562	Supplies-GA
Allocations:	$388.58	600-6320-0000-542	Supplies-TM
Allocations:	$121.78	600-6320-0000-542	Supplies-TM
Allocations:	$88.82	600-6320-0000-562	Supplies-GA
Allocations:	$57.90	600-6197-0000-565	Personal Equipment/Uniform
Allocations:	$115.80	600-6197-0000-565	Personal Equipment/Uniform
Allocations:	$1,207.39	600-6440-0000-542	Equipment Purchase-TM

Allocations:	$259.79	600-6320-0000-542	Supplies-TM	
Allocations:	$1,573.74	600-6440-0000-542	Equipment Purchase-TM	

Voucher: 052095 Invoice: 032425BIM Date: 3/24/2025 Monthly Statement Doc Amt: $4,292.23

Allocations:	$61.25	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$1,041.24	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$122.50	100-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$16.42	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$279.21	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$32.85	100-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$12.42	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$211.06	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$24.83	100-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$4.85	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$82.44	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$9.70	100-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$9.92	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$168.71	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$19.85	100-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	$37.50	100-6195-0000-565-06	Training 10/5/85 GA
Allocations:	$18.75	300-6195-0000-565-06	Training 10/5/85 GA
Allocations:	$318.75	600-6195-0000-565-06	Training 10/5/85 GA
Allocations:	$162.00	100-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	$81.00	300-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	$1,376.99	600-6260-0000-563-06	CS-Computer (10/5/85)
Allocations:	$20.00	100-6195-0000-565-06	Training 10/5/85 GA
Allocations:	$10.00	300-6195-0000-565-06	Training 10/5/85 GA
Allocations:	$170.00	600-6195-0000-565-06	Training 10/5/85 GA

Voucher: 052096 Invoice: CM032425BIM Date: 3/24/2025 Monthly Statement Doc Amt: -$12.81

Allocations:	-$0.64	300-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	-$10.89	600-6850-0000-562-06	Travel & Mileage GA 10/5/85
Allocations:	-$1.28	100-6850-0000-562-06	Travel & Mileage GA 10/5/85

Payment Responsibilities:

Fund 000: $0.00 Fund 100: $498.59 Fund 300: $249.29 Fund 600: $11,471.73
Fund 700: $0.00 Fund 803:$22.04

Payment#	Date	Check Total	Vendor ID	Vendor Name
033597	**4/21/2025**	**$25,752.50**	**USGEO**	**U.S. Geological Survey**

Voucher: 052169 Invoice: 90096415 Date: 4/10/2025 Water Data Collection Doc Amt: $25,752.50

Allocations:	$21,117.05	600-6270-0143-511	CS-Ops-Stream Flow Measurement-SSO
Allocations:	$4,635.45	300-6270-0143-511	CS Ops-Stream Flow Measurement-SSO

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $4,635.45 Fund 600: $21,117.05
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033598	4/21/2025	$211.76	VERDA	Verdant Commercial Capital LLC

Voucher: 052160 Invoice: 905544994 Date: 4/11/2025 Copier Lease Doc Amt: $211.76

Allocations:	$21.18	100-6450-0000-562-06	Tool & Equipment Rental GA 10/5/85
Allocations:	$10.59	300-6450-0000-562-06	Tool & Equipment Rental GA 10/5/85
Allocations:	$180.00	600-6450-0000-562-06	Tool & Equipment Rental GA 10/5/85

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $21.18 Fund 300: $10.59 Fund 600: $180.00
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033599	4/21/2025	$45.77	WRIIN	Wright Bros Industrial Supply

Voucher: 052099 Invoice: 290864 Date: 3/21/2025 Welding Supplies Doc Amt: $45.77

Allocations:	$45.77	600-6320-0000-542	Supplies-TM

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $0.00 Fund 600: $45.77
Fund 700: $0.00 Fund 803:$0.00

Payment#	Date	Check Total	Vendor ID	Vendor Name
033600	4/21/2025	$2,185.00	ZEIAL	Alan Zeisbrich

Voucher: 052100 Invoice: 3-2025 Date: 4/1/2025 Contract Services Doc Amt: $2,185.00

Allocations:	$189.75	300-6270-0000-511	CS-Operations-SS0
Allocations:	$1,707.75	600-6270-0000-541	CS-Operations-TO
Allocations:	$143.75	600-6270-0602-531	CS Operations - Lessalt WTP
Allocations:	$143.75	600-6270-0603-531	CS Operations - West Hills WTP

Payment Responsibilities:
Fund 000: $0.00 Fund 100: $0.00 Fund 300: $189.75 Fund 600: $1,995.25
Fund 700: $0.00 Fund 803:$0.00

Report Totals, Payment Fund Responsiblities

Fund 000: $0.00 **Fund 100: $4,715.03** **Fund 300: $57,837.81** **Fund 600: $910,417.54**

Fund 700:$7,933.00 **Fund 803:$2,561.57**

Fund 100 = District Administration
Fund 300 = Zone 3
Fund 600 = Zone 6
Fund 700 = Zone GSA
Fund 803 = Zone WRA

San Benito County Water District
Agenda Transmittal

Agenda Item: 3

Meeting Date: April 30, 2025

Submitted By: Kelley Urbina

Presented By: Dana Jacobson

Agenda Title: Acknowledgement of Paid Claims prior to the April 2025 Board Meeting

Detailed Description: This is a notification that the checks & wire transfers listed below were issued outside the normal claims process.

Payee	Check No./ Confirmation #	Amount	For	Issued Date
Hollister Downtown Assoc.	59522	$75.00	Farmer's Market application fee	03/27/25
Hollister Downtown Assoc.	59548	$20.00	Farmer's Market stall fee	04/16/25
San Luis Delta Mendota Water Authority	59552	$40,846.00	Membership FY26 1st installment	04/16/25
State Water Resources Control Board	59553	$3,630.00	NDES permit and notice of intent for West Hills expansion	04/16/25

Wire Transfers				
San Luis Delta Mendota Water Authority	Wire Transfer	$5,068.80	O&M delivery costs (April 2025 advanced water delivery payment form)	04/07/25
USBR (pay.gov)	Wire Transfer	$43,086.95	Water Payment	04/08/25

Financial Impact: _____X_____ Yes _____No

Funding Source/ Recap:
Fiscal Year Budget as approved

Material Included for Information/Consideration:
Copy of Wire Transfer Request

Action Required: _____ Resolution ____X_____ Motion _____Review

Board Action

_____Resolution No.___ Motion By_____ Second By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

MEMORANDUM

TO: Dana Jacobson or Brett Miller

FROM: Jennifer Cosio Arellano

DATE: 3/26/25

Subject: Manual Check Request

This is a request for a manual check to be processed as listed below:

Vendor name and address (for remittance)	Amount of Request	Disposition Method: *Return to Requestor / Federal Express / Regular Mail*
Hollister Downtown Association 350 Sixth St Ste. 102 Hollister, CA 95023	$75.00	Return to Requestor
Expense Account number(s)	803-6820-0000-562-D1	
Reason for Request:	Farmers' Market Application Fee	

Supporting documentation for this request:

	Is attached		Will be returned to Accounting upon receipt

Please sign below as approval for issuance of this manual payment.

Approved by:

Dana Jacobson or Brett Miller

3.26.2025

Date

SAN BENITO COUNTY WATER DISTRICT
30 MANSFIELD RD, HOLLISTER, CA 95023

059522

Vendor		Account	Date	
HDOWNT	Hollister Downtown Assoc.		3/27/2025	0059522

Invoice	Date	Description	Net Amt.
032625	3/26/2025	Farmers Market Application Fee	$75.00

Farmers Market Application Fee $75.00

052132

MEMORANDUM

TO: Dana Jacobson or Brett Miller

FROM: Jennifer Costo Arellano

DATE: 4/15/25

Subject: Manual Check Request

This is a request for a manual check to be processed as listed below:

Vendor name and address (for remittance)	Amount of Request	Disposition Method: *Return to Requestor / Federal Express / Regular Mail*
Hollister Downtown Association	$20	Return to Requestor
Expense Account number(s)	803-6865-0000-562-D1	
Reason for Request:	Farmers' Market Stall Fee	

Supporting documentation for this request:

	Is attached		Will be returned to Accounting upon receipt

Please sign below as approval for issuance of this manual payment.

Approved by:

Dana Jacobson or Brett Miller

4.15.2025

Date

SAN BENITO COUNTY WATER DISTRICT
30 MANSFIELD RD, HOLLISTER, CA 95023

059548

Vendor		Account	Date	
HDOWNT	Hollister Downtown Assoc.		4/16/2025	0059548

Invoice	Date	Description	Net Amt.
041525	4/15/2025	Farmers Market Stall Fee	$20.00

Farmers Market Stall Fee $20.00

SAN BENITO COUNTY WATER DISTRICT
30 MANSFIELD RD, HOLLISTER, CA 95023

059552

Vendor	Account	Date	
SLDMW	San Luis & Delta-Mendota WA	4/16/2025	0059552

Invoice	Date	Description	Net Amt.
INVWA1386	3/31/2025	Membership FY26 1st install	$40,846.00

Membership FY26 1st install $40,846.00

D52134

MEMORANDUM

TO: Dana Jacobson or Brett Miller

FROM: Barbara Mauro

DATE: April 14, 2025

Subject: Manual Check Request

This is a request for a manual check to be processed as listed below:

Vendor name and address (for remittance)	Amount of Request	Disposition Method: *Return to Requestor / Federal Express / Regular Mail*
Renan Jauregui, WRC Engineer State Water Resources Control Board Division of Water Quality NPDES Permitting Unit 1001 I Street, 15th Floor Sacramento, CA 95814	$3,630.00	Mail via Regular Mail with signed application

Expense Account number(s)	#600-1351-0168-151-02
Reason for Request:	Per Dana, this cannot wait to go out with our normal claim process.

Supporting documentation for this request:

X	Is attached		Will be returned to Accounting upon receipt

Please sign below as approval for issuance of this manual payment.

Approved by:

Dana Jacobson

Dana Jacobson or Brett Miller

4/14/25

Date

SAN BENITO COUNTY WATER DISTRICT
30 MANSFIELD RD, HOLLISTER, CA 95023

059553

Vendor		Account	Date	
SWRCB	State Water Resources Control Bc		4/16/2025	0059553

Invoice	Date	Description	Net Amt.
041425	4/14/2025	NPDES Permit - West Hills	$3,630.00

NPDES Permit - West Hills $3,630.00

Superior (888) 590-7998 JB4946447

5200S

Wire Transfer Requested **4/7/2025**

Release date ***4/7/2025***

Vendor	Invoice Date	Invoice no.	Description	GL Account no.	Amount
San Luis Delta Mendota Water Authority	4/4/2025	040425	O&M delivery costs (Apr. 2025 advanced water delivery payment form)	600-5400-0000-513-07	$ 5,068.80
				Total wire transfer	***$ 5,068.80***

Daily wire activity total $ 5,068.80

Online entry by: Dalani Vidal

Date 4/7/25

Approved for release online by: Cindy Paine

Date 4/7/25

5'20049

Pay.gov payment requested **4/7/2025**

Release date ***4/7/2025***

Vendor	Payment Recap date prepared	Invoice no.	Description	GL Account no.	Amount
Bureau of Reclamation (USBR-LA)	4/4/2025	040425	Mar usage 128 AF	600-5110-0000-513-07	$ 2,444.80
Bureau of Reclamation (USBR-LA)	4/4/2025	040425	Mar prepaid 1000 AF	600-5114-0000-513-07	$ (25,040.00)
Bureau of Reclamation (USBR-LA)	4/4/2025	040425	Jun prepay 1,500 AF	600-5114-0000-513-07	$ 36,105.00
Bureau of Reclamation (USBR-LA)	4/4/2025	040425	Jun prepay 1,310 AF	600-5110-0000-513-07	$ 25,021.00
Bureau of Reclamation (USBR-LA)	4/4/2025	040425	Additional costs for using Federal power for water transfer	600-5600-0000-513-07	$ 347.51
Bureau of Reclamation (USBR-LA)	4/4/2025	040425	Mar usage 128 AF - AG Restoration	600-5210-0000-513-07	$ 1,706.24
Bureau of Reclamation (USBR-LA)	4/4/2025	040425	Mar usage 128 AF - AG PUE	600-5211-0000-513-07	$ 1,738.24
Bureau of Reclamation (USBR-LA)	4/4/2025	040425	Mar usage 128 AF - AG PUE Other	600-5211-0000-513-07	$ 764.16
				Total payment amount	***$ 43,086.95***

Daily Pay.gov total $ 43,086.95

Online entry by: Dulce Vidal

Date 4/7/25



Agenda

Item

4

BOARD AGENDA MEMO

DATE: April 21, 2025

TO: Board of Directors

FROM: Investment Committee (Sonny Flores/Doug Williams)

SUBJECT: Review of Quarterly Investment Report-Period ending March 31, 2025

---

1. Quarterly Investment Report

a. Review of Investment Report

The Investment Committee reviewed the investment instruments making up the District's portfolio and the District's investment performance for the quarter ending March 31, 2025.

The committee has determined that the investments are being managed in compliance with the District's Board Investment Policy.

The committee has reviewed the projected cash requirements and has determined that the District has sufficient cash reserves available to meet its cash demands for the next six months and has sufficient funds in a second liquid account (in addition to LAIF) to cover at least two months of current District Expenses.

Director Sonny Flores

Director Doug Williams

SAN BENITO COUNTY WATER DISTRICT

QUARTERLY INVESTMENT REPORT

QUARTER ENDING

MARCH 31, 2025

Page no(s).	Title	Source
1	Quarterly Investment Report Recap	District Staff
2	Summary of Cash and Investments	District Staff
3	PMIA / LAIF Performance Report	California State Treasurer's Office
4	Summary of CalPERS CERBT Trust (OPEB)	District Staff
5	Investment Summary by Maturity Date	District Staff
6 - 17	Investment Statement	U.S. Bancorp Advisors (Investments)

April 10, 2025

Submitted by: Kelley Urbina, Accountant
Reviewed by: Brett Miller, Assistant General Manager

SAN BENITO COUNTY WATER DISTRICT

QUARTERLY INVESTMENT REPORT

QUARTER ENDING MARCH 31, 2025

Investment activity:

- The Local Agency Investment Fund's interest rate decreased from 4.434% at December 31, 2024 to 4.313% at March 31, 2025. The balance reflects interest earned for the prior quarter of $283,134 and the current quarter net operating activity.

- The California Employers' Retirement Benefit Trust (CERBT) statement for the period January through March was not available as of this report date. The balance at December 31, 2024 was $1,091,905.

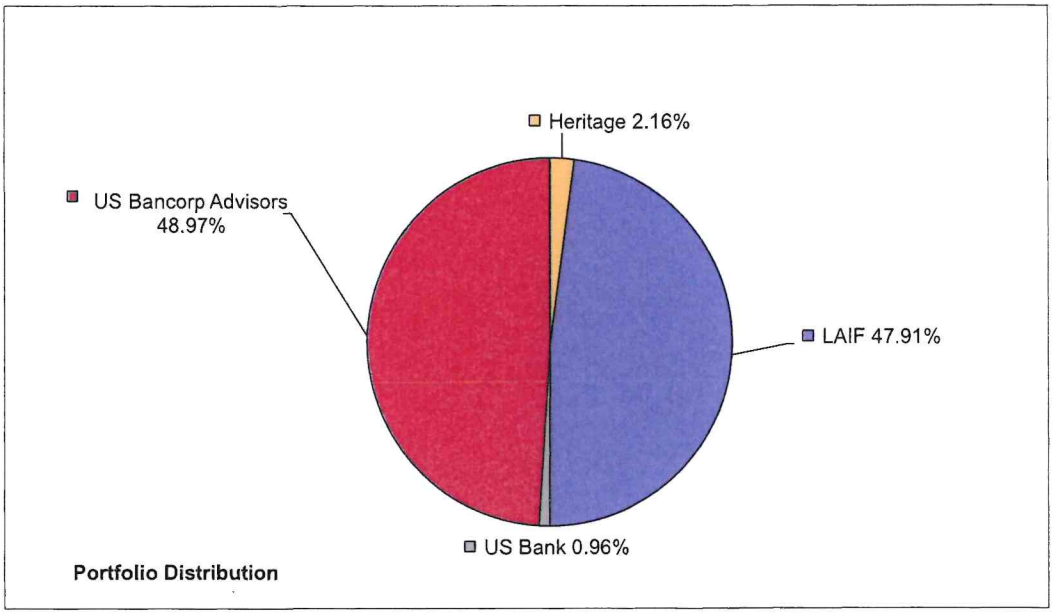
- The U.S. Bancorp Advisors account statement is attached and reflects accrued interest and gain or loss. The portfolio value at March 31, 2025 was $48,918,460.00.

Liquidity Requirements:

There are adequate liquid reserves available in the LAIF account to fund six months of operating expenditures ($5.0 million) as required in the Investment Policy, Section V., 2. In addition, the funds held in Heritage Bank are sufficient to cover at least two months of District expenses ($1.7 million) which meets the Investment Policy requirements per Section IV., 1. b.

SAN BENITO COUNTY WATER DISTRICT
SUMMARY OF CASH AND INVESTMENTS
AS OF MARCH 31, 2025

CASH SUMMARY FOR ALL DISTRICT HELD ACCOUNTS (By Institution)							
	UNRESTRICTED				RESTRICTED		
Date	US Bank	LAIF	Heritage Bank	U.S. Bancorp Advisors	LAIF Restricted Reserve	U.S. Bancorp Advisors	Total Cash and Investments
12/31/2024	9,119,320	30,246,923	2,144,253	27,854,777	325,000	28,778,301	98,468,573
3/31/2025	960,502	47,530,057	2,154,854	20,140,159	325,000	28,778,301	99,888,873
Net Change	*$ (8,158,817)*	*$ 17,283,134*	*$ 10,600*	*$ (7,714,618)*	*$ -*	*$ -*	*$ 1,420,300*



CASH SUMMARY BY ZONE OF BENEFIT							
Date		Zone 1	Zone 3	Zone 6	Groundwater Sustainability Agency	WRA (Fiduciary Funds)	Total Cash and Investments
12/31/2024	End of quarter (as reported)	2,647,253	6,195,936	87,495,399	1,419,394	702,633	98,460,614
12/31/2024	Reclass by zone	33	(2)	53,872	-	(45,943)	98,468,574
3/31/2025	End of quarter	2,631,648	6,195,103	89,043,549	1,382,363	636,210	99,888,873
	Net Change	*$ (15,637)*	*$ (830)*	*$ 1,494,278*	*$ (37,031)*	*$ (20,480)*	*$ 1,420,300*
	% of total cash (by Zone)	2.63%	6.20%	89.14%	1.38%	0.64%	

LOCAL AGENCY INVESTMENT FUND (LAIF) Activity for quarter							
Date		Zone 1	Zone 3	Zone 6	Groundwater Sustainability Agency	WRA (Fiduciary Funds)	Overall Balance
12/31/2024	Balance forward:	$ 2,435,942	$ 5,806,688	$ 21,086,060	709,416	533,818	$ 30,571,923
12/31/2024	Reclass by zone						$ 30,571,923
2/15/2025	Quarterly Interest	26,263	63,194	180,273	7,649	5,755	$ 30,855,057
1/31/2025	Transfer in (out)	150,000	300,000	8,550,000	-	-	$ 39,855,057
2/28/2025	Transfer in (out)	-		3,000,000	-	-	$ 42,855,057
3/31/2025	Transfer in (out)			5,000,000			$ 47,855,057
	BALANCE BY ZONE	$ 2,612,205	$ 6,169,882	$ 37,816,332	$ 717,064	$ 539,574	$ 47,855,057

NOTE - Allocation of cash by zone (restricted and unrestricted) is subject to reconciliation changes quarterly and at year end.

PMIA/LAIF Performance Report as of 04/09/25

Quarterly Performance Quarter Ended 12/31/24

LAIF Apportionment Rate[2]:	4.62
LAIF Earnings Ratio[2]:	0.00012664187216722
LAIF Administrative Cost[1]*:	0.28
LAIF Fair Value Factor[1]:	0.999621985
PMIA Daily[1]:	4.40
PMIA Quarter to Date[1]:	4.48
PMIA Average Life[1]:	252

PMIA Average Monthly Effective Yields[1]

March	**4.313**
February	4.333
January	4.366
December	4.434
November	4.477
October	4.518

Pooled Money Investment Account Monthly Portfolio Composition [1] 2/28/25 $156.8 billion

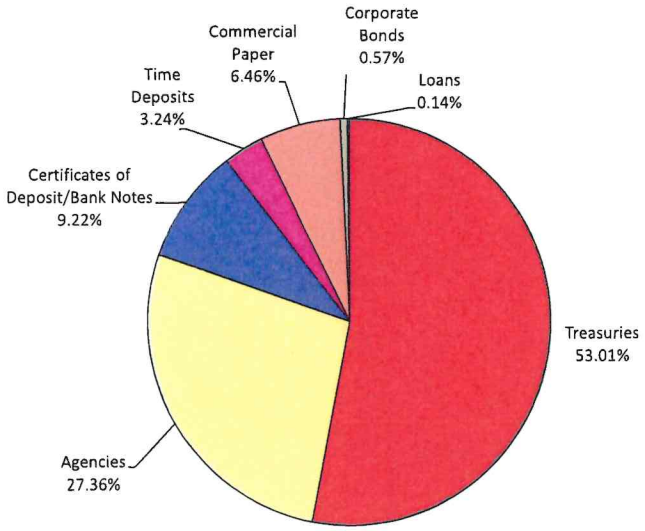


Chart does not include $1,188,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. View PMIA Daily Rates

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

**The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.*

Source:
[1] State of California, Office of the Treasurer
[2] State of California, Office of the Controller

SAN BENITO COUNTY WATER DISTRICT
Summary
CALPERS California Employers' Retiree Benefit Trust (CERBT)
for Other Post Employment Benefits (OPEB)
as of March 31, 2025

DATE	INVESTMENT	WITHDRAWAL	GAIN / (LOSS)	BALANCE
10/1/2020				$ -
11/20/2020	$ 76,889			$ 76,889
12/16/2020	$ 76,889			$ 153,778
12/31/2020			$ 3,691	$ 157,469
1/27/2021	$ 76,889			$ 234,358
2/24/2021	$ 76,889			$ 311,247
3/31/2021	$ 76,889			$ 388,136
3/31/2021			$ 5,164	$ 393,301
6/7/2021	$ 76,889			$ 470,190
6/8/2021	$ 76,889			$ 547,079
6/30/2021			$ 23,558	$ 570,636
7/20/2021	$ 76,889			$ 647,525
7/21/2021	$ 76,889			$ 724,414
8/26/2021	$ 76,889			$ 801,303
9/30/2021	$ 76,889			$ 878,192
9/30/2021			$ (7,043)	$ 871,149
10/29/2021	$ 76,889			$ 948,038
11/29/2021	$ 76,889			$ 1,024,927
12/31/2021			$ 45,139	$ 1,070,066
3/31/2022			$ (50,287)	$ 1,019,779
6/30/2022			$ (132,418)	$ 887,360
9/30/2022			$ (64,577)	$ 822,783
12/31/2022			$ 56,209	$ 878,992
3/31/2023			$ 41,224	$ 920,216
6/30/2023			$ 23,697	$ 943,914
9/30/2023			$ (36,934)	$ 906,980
12/31/2023			$ 96,701	$ 1,003,681
3/31/2024			$ 35,893	$ 1,039,574
6/30/2024			$ 7,505	$ 1,047,079
9/30/2024			$ 85,129	$ 1,132,209
12/31/2024			$ (40,303)	$ 1,091,905
3/31/2025 (*)				
TOTAL	$ 999,557	$ -	$ 92,348	$ 1,091,905

(*) End of quarter statement was not available from CERBT at time of this investment report. Investment gain or (loss) for the current quarter will be reported in the following quarter's investment report.

Investment Summary

Schedule by Maturity Date

Description	Symbol / Cusip	Maturity	Coupon Rate	Estimated Current Market Value as of 3/31/25
US Treasury AN-2025	91282CEQ0	**5/15/2025**	2.75000%	$ 1,996,320.00
US Treasury AD-2025	91282CAM3	**9/30/2025**	0.25000%	$ 3,285,110.50
US Treasury V-2026	91282CBQ3	**2/28/2026**	0.50000%	$ 3,242,532.00
US Treasury AP-2026	91282CHH7	**6/15/2026**	4.12500%	$ 5,007,600.00
US Treasury N-2026	912828Y95	**7/31/2026**	1.87500%	$ 3,259,181.50
US Treasury AJ-2027	91282CJT9	**1/15/2027**	4.00000%	$ 5,005,300.00
Federal Home Loan CD-9027	3130ARUL3	**5/18/2027**	4.00000%	$ 2,269,916.00
US Treasury AH-2028	91282CJR3	**12/31/2028**	3.75000%	$ 24,852,500.00

Total $ 48,918,460.00

Recent Redemptions

Description	Symbol / Cusip	Maturity	Coupon Rate	Amount Redeemed
US Treasury AK-2025	91282CDZ1	**2/15/2025**	1.50000%	$ 3,350,000.00
US Treasury Zero Coupon	912797KJ5	**3/20/2025**	0.00000%	$ 5,000,000.00

Total $ 8,350,000.00

Source: US Bancorp Advisors Investment Statement

ENV# CEBRNHSPBBGTQBT_BBBBB
U.S. BANCORP ADVISORS, LLC
PO BOX 513100
LOS ANGELES, CA 90051-1100

SAN BENITO COUNTY WATER DISTRICT
30 MANSFIELD RD
HOLLISTER CA 95023

US Wealth Management
U.S. Bancorp Advisors

STATEMENT FOR THE PERIOD MARCH 1, 2025 TO MARCH 31, 2025

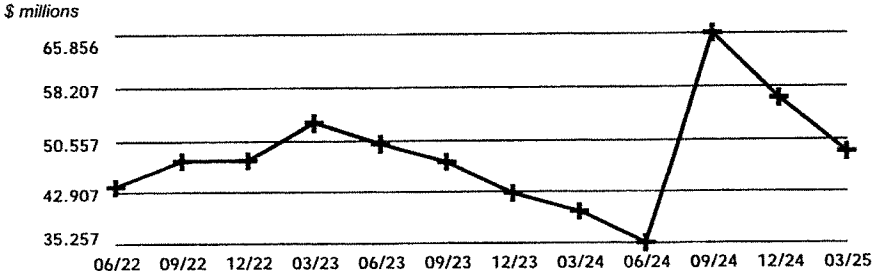
SAN BENITO COUNTY WATER DISTRICT - Corporation
Account Number: WBB-023302

BEGINNING VALUE OF YOUR PORTFOLIO	**$53,786,728.50**
TOTAL VALUE OF YOUR PORTFOLIO	**$48,918,460.00**

INSTITUTIONAL SALES SPECIALIST
Mark Kreymer
RR#: 350

For questions about your accounts:
Local: 213 356 2367
In-State: 800 358 8771
National: 800 358 8771

CHANGE IN VALUE OF YOUR PORTFOLIO



***Change In Value Of Your Portfolio** information can be found in Miscellaneous Footnotes at the end of this statement.*

Account carried with National Financial Services LLC, Member NYSE, SIPC

S

U.S. Wealth Management
U.S. Bancorp Advisors

Account Overview

CHANGE IN ACCOUNT VALUE	*Current Period*	*Year-to-Date*
BEGINNING VALUE	$53,786,728.50	$56,633,077.50
Additions and Withdrawals	($5,004,187.50)	($8,519,093.75)
Misc. & Corporate Actions	$0.00	$0.00
Income	$109,090.28	$273,996.53
Taxes, Fees and Expenses	$0.00	$0.00
Change in Value	$26,828.72	$530,479.72
ENDING VALUE (AS OF 03/31/25)	$48,918,460.00	$48,918,460.00
Total Accrued Interest	$400,732.77	
Ending Value with Accrued Interest	**$49,319,192.77**	

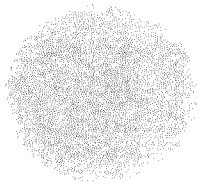
Refer to Miscellaneous Footnotes for more information on Change in Value.

INCOME		
TAXABLE	*Current Period*	*Year-to-Date*
Taxable Interest	$109,090.28	$273,996.53
TOTAL TAXABLE	$109,090.28	$273,996.53
TOTAL INCOME	**$109,090.28**	**$273,996.53**

Taxable income is determined based on information available to NFS at the time the statement was prepared, and is subject to change. Final information on taxation of interest and dividends is available on Form 1099-Div, which is mailed in February of the subsequent year.

REALIZED GAIN (LOSS)	*Current Period*	*Year-to-Date*
Short Term Gain	$0.00	$0.00
Short Term Loss	$0.00	$0.00
Disallowed Short Term Loss	$0.00	$0.00
TOTAL SHORT TERM GAIN (LOSS)	**$0.00**	**$0.00**

ACCOUNT ALLOCATION



U.S. Treasury / Agency Sec. 100.0%

	Percent	*Prior Period*	*Current Period*
U.S. Treasury / Agency Sec.	100.0 %	$53,786,728.50	$48,918,460.00
TOTAL	**100.0 %**	**$53,786,728.50**	**$48,918,460.00**

***Account Allocation** shows the percentage that each asset class represents of your total account value. Account Allocation for equities, fixed income, and other categories may include mutual funds and may be net of short positions. NFS has made assumptions concerning how certain mutual funds are allocated. Closed-end mutual funds and Exchange Traded Products (ETPs) listed on an exchange may be included in the equity allocation. The chart may not reflect your actual portfolio allocation. Consult your broker/dealer prior to making investment decisions.*



Account Overview *continued*

REALIZED GAIN (LOSS) *continued*	*Current Period*	*Year-to-Date*
Long Term Gain	$0.00	$140,281.25
Long Term Loss	$0.00	$0.00
Disallowed Long Term Loss	$0.00	$0.00
TOTAL LONG TERM GAIN (LOSS)	**$0.00**	**$140,281.25**

NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for your tax reporting purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.

MESSAGES AND ALERTS

Please make all check deposits/contributions payable to: NATIONAL FINANCIAL SRVS ---------- If you have any problems, concerns or complaints with your U.S Bancorp Advisors account or representative, you can contact us: 1. By mail at U.S. Bancorp Advisors, Compliance Department P.O Box 513100, Los Angeles, CA 90051-1100. 2. By phone to our Client Services Desk, toll-free within the U.S. at 800-634-1100, or outside the U.S. at 518-992-7557, and request to speak with Compliance regarding a customer complaint. 3. By email at: USBA.compliance@usbank. com

National Financial Services LLC, NFS, is required by the Securities Exchange Act of 1934 to provide certain financial information from its Statement of Financial Condition. At December 31, 2024, NFS had net capital of $10,981 million, which was 20.89 percent of aggregate debit items and exceeded its minimum requirement by $9,929 million. To acquire the Statement of Financial Condition, go to www.mybrokerageinfo.com. If you wish to obtain a copy of this document at no cost, please call 800.439.5627. 489720.20.0

Holdings

NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for tax purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.

AI (Accrued Interest) - Represents interest accumulated since the last coupon date, but not yet paid by the issuer or received by NFS. There is no guarantee that AI will be paid by the issuer.

For additional information regarding your holdings, please refer to the footnotes at the end of the statement.

FIXED INCOME - 100.00% of Total Account Value

ALERT: You have a fixed income position due to mature within the next 90 days.

For an explanation of fixed income pricing, please see the last page. Redemption schedule(s), bond rating(s), and other information are provided where available. If information does not appear regarding a particular investment, it is not available.

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Description	Symbol/Cusip Account Type	Quantity	Estimated Price on 03/31/25	Estimated Current Market Value	Estimated Annual Income	Original/Adjusted Cost Basis		Unrealized Gain (Loss)
U.S. Treasury / Agency Securities								
UNITED STATES TREAS SER AN-2025 2.75000% 05/15/2025 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON NOV 15, MAY 15 Next Interest Payable: 05/15/25 Accrued Interest $20814.92 Average Unit Cost $100.00 Adjusted Cost Basis	91282CEQ0 CASH	2,000,000	$99.816	$1,996,320.00	$55,000.00	$2,001,875.00 $2,000,078.76	D	($3,758.76)

FIXED INCOME *continued*

Description	Symbol/Cusip Account Type	Quantity	Estimated Price on 03/31/25	Estimated Current Market Value	Estimated Annual Income	Original/Adjusted Cost Basis		Unrealized Gain (Loss)
UNITED STATES TREAS SER AD-2025 0.25000% 09/30/2025 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON MAR 31, SEP 31 Next Interest Payable: 09/30/25 Accrued Interest $22.88 Average Unit Cost $90.84 Adjusted Cost Basis Unrealized Market Discount Income	91282CAM3 CASH $23,667.17 Q	3,350,000	$98.063	$3,285,110.50	$8,375.00	$3,043,265.63 $3,043,265.63	 D	 $241,844.87
UNITED STATES TREAS SER V-2026 0.50000% 02/28/2026 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON AUG 31, FEB 31 Next Interest Payable: 08/28/25 Accrued Interest $1456.52 Average Unit Cost $90.50 Adjusted Cost Basis Unrealized Market Discount Income	91282CBQ3 CASH $21,713.40 Q	3,350,000	$96.792	$3,242,532.00	$16,750.00	$3,031,750.00 $3,031,750.00	 D	 $210,782.00
UNITED STATES TREAS SER AP-2026 4.12500% 06/15/2026 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON DEC 15, JUN 15 Next Interest Payable: 06/15/25 Accrued Interest $60628.43 Average Unit Cost $99.99 Adjusted Cost Basis	91282CHH7 CASH	5,000,000	$100.152	$5,007,600.00	$206,250.00	$4,999,609.38 $4,999,609.38	 D	 $7,990.62
UNITED STATES TREAS SER N-2026 1.87500% 07/31/2026 NTS NOTE MOODY'S Aaa CPN PMT SEMI-ANNUAL ON JAN 31, JUL 31 Next Interest Payable: 07/31/25 Accrued Interest $10410.91 Average Unit Cost $94.69	912828Y95 CASH	3,350,000	$97.289	$3,259,181.50	$62,812.50	$3,172,031.25		

FIXED INCOME *continued*

Description	Symbol/Cusip Account Type	Quantity	Estimated Price on 03/31/25	Estimated Current Market Value	Estimated Annual Income	Original/Adjusted Cost Basis		Unrealized Gain (Loss)
UNITED STATES TREAS SER N-2026 1.87500%	912828Y95	***continued***						
Adjusted Cost Basis						$3,172,031.25	D	$87,150.25
Unrealized Market Discount Income	$10,872.42 Q							
UNITED STATES TREAS SER AJ-2027 4.00000%	91282CJT9	5,000,000	$100.106	$5,005,300.00	$200,000.00	$4,994,531.25		
01/15/2027 NTS NOTE	CASH							
MOODY'S Aaa								
CPN PMT SEMI-ANNUAL								
ON JUL 15, JAN 15								
Next Interest Payable: 07/15/25								
Accrued Interest $41988.95								
Average Unit Cost $99.89								
Adjusted Cost Basis						$4,994,531.25	D	$10,768.75
FEDERAL HOME LOAN BA SER CD-9027	3130ARUL3	2,300,000	$98.692	$2,269,916.00	$80,500.00	$2,300,000.00		
3.50000% 05/18/2027	CASH							
MOODY'S Aaa /S&P AA+								
CPN PMT SEMI-ANNUAL								
ON NOV 18, MAY 18								
Next Interest Payable: 05/18/25								
CALLABLE ON 05/18/2025 @ 100.0000								
Accrued Interest $29740.28								
Average Unit Cost $100.00								
Adjusted Cost Basis						$2,300,000.00	D	($30,084.00)
UNITED STATES TREAS SER AH-2028 3.75000%	91282CJR3	25,000,000	$99.41	$24,852,500.00	$937,500.00	$24,827,636.72		
12/31/2028 NTS NOTE	CASH							
MOODY'S Aaa								
CPN PMT SEMI-ANNUAL								
ON JUN 30, DEC 30								
Next Interest Payable: 06/30/25								
Accrued Interest $235669.88								
Average Unit Cost $99.31								
Adjusted Cost Basis						$24,827,636.72	D	$24,863.28
Total U.S. Treasury / Agency Securities		**49,350,000**		**$48,918,460.00**	**$1,567,187.50**	**$48,368,902.99**		**$549,557.01**
Total Fixed Income		**49,350,000**		**$48,918,460.00**	**$1,567,187.50**	**$48,368,902.99**		**$549,557.01**
Total Securities				**$48,918,460.00**	**$1,567,187.50**	**$48,368,902.99**		**$549,557.01**

HOLDINGS > *continued*

TOTAL PORTFOLIO VALUE	$48,918,460.00	$1,567,187.50	$48,368,902.99	$549,557.01

Activity

NFS-provided cost basis, realized gain (loss) and holding period information may not reflect all adjustments necessary for tax purposes. Please refer to Footnotes and Cost Basis Information at the end of this statement for more information.

PURCHASES, SALES, AND REDEMPTIONS

Settlement Date	Account Type	Transaction	Description	Quantity	Amount
Redemptions					
03/20/25	CASH	REDEEMED	UNITED STATES TREAS BILLS ZERO CPN 0.00000% 03/20/2025 REDEMPTION PAYOUT #REOR R6005526740000	(5,000,000)	$5,000,000.00
Total Redemptions					$5,000,000.00

ACTIVITY > ADDITIONS AND WITHDRAWALS > OTHER ADDITIONS AND WITHDRAWALS

Date	Account Type	Transaction	Description	Quantity	Amount
Other Additions and Withdrawals					
03/20/25	CASH	TRANSFER TO ACCOUNT	AUTO MONEY MOVEMENT ID93167143 US BANK NA *****3320		($5,000,000.00)
03/31/25	CASH	TRANSFER TO ACCOUNT	AUTO MONEY MOVEMENT ID93215566 US BANK NA *****3320		($4,187.50)
Total Other Additions and Withdrawals					($5,004,187.50)
TOTAL ADDITIONS AND WITHDRAWALS					($5,004,187.50)



ACTIVITY >INCOME > TAXABLE INCOME

Settlement Date	Account Type	Transaction	Description	Quantity	Amount
Taxable Interest					
03/20/25	CASH		UNITED STATES TREAS BILLS ZERO CPN 0.00000% 03/20/2025 OID AMT CALCULATED For Information Only Reportable interest for bonds purchased with OID		$104,902.78
03/31/25	CASH	INTEREST	UNITED STATES TREAS SER AD-2025 0.25000% 09/30/2025 NTS NOTE		$4,187.50
Total Taxable Interest					$109,090.28
Total Taxable Income					$109,090.28
TOTAL INCOME					$109,090.28

Footnotes and Cost Basis Information

Amortization, accretion and similar adjustments to cost basis have been provided for many fixed income securities (and some bond-like equities), however, they are not provided for certain types, such as short-term instruments, Unit Investment Trusts, foreign fixed income securities, or those that are subject to early prepayment of principal (pay downs). Where current year premium or acquisition premium amortization is provided, the prior years' cumulative amortization is reflected in the adjusted cost basis, but we cannot provide a breakdown or the total of such prior amortization amounts.

NFS is required to report certain cost basis and related information to the IRS on the Form 1099-B. Your official 1099-B forms for certain transactions will reflect which lots have been sold for tax purposes. To apply a specific identification cost basis method to 1099-B reporting, appropriate instructions must be on file with NFS or be received by NFS before the trade has settled. Absent such instructions, NFS determines cost basis at the time of sale based on its default methods of average cost for open-end mutual funds and first-in, first-out (FIFO) for all other (including ETFs) unless your broker dealer has elected to use another default method. NFS applies FIFO (or other disposal method, if applicable) based on its records, which may be different from yours. For transactions that are not subject to 1099-B cost basis reporting, you should refer to your trade confirmations and other applicable records to determine which lots were considered sold for tax purposes.

While NFS must meet IRS requirements with respect to certain information required to be reported to the IRS, NFS-provided cost basis, realized gain and loss, and holding period information may not reflect all adjustments necessary for your tax reporting purposes. NFS makes no warranties with respect to and specifically disclaims any liability arising out of a customer's use of, or any tax position taken in reliance upon, such information.

Footnotes and Cost Basis Information *continued*

For investments in partnerships, NFS does not make any adjustments to cost basis information as the calculation of basis in such investments requires supplemental information from the partnership on its income and distributions during the period you held your investment. Partnerships usually provide this additional information on a Form K-1 issued by April 15th of the following year.

Consult your tax advisor for further information.

Cost basis and gain/loss information is provided as a service to corporate accounts. The information listed in the year-to-date gain/loss summary section is based on a calendar year (January - December). If your business/entity has a fiscal year end other than December 31st for tax purposes, the year-to-date information will not apply. If you have questions about your tax situation, consult your tax advisor.

D - Adjusted cost basis reflects any cumulative original issue discount, premium, or acquisition premium, and it assumes such amounts were amortized by the taxpayer over the life of the security from acquisition date through disposition date. For securities still held, maturity date was used instead of disposition date. Premium amortization was calculated using the yield-to-maturity method. Acquisition premium was calculated using the ratable accrual method. If applicable, adjusted cost basis reflects market discount accretion which was calculated using the straight-line method and was recognized at disposition date. Gain/loss displayed for this transaction was based on cost basis as adjusted for premium and discount as stated above and does not reflect any losses disallowed because of wash sales (if applicable). The adjusted cost basis may not reflect all adjustments necessary for tax reporting purposes and may also not apply if you are using an alternative amortization calculation method. Refer to IRS Publication 550, Investment Income and Expenses, for additional information. Q - Unrealized Market discount income was calculated using the straight-line method from acquisition date through statement period ending date. Our calculation assumes the taxpayer has elected to defer recognizing the market discount until sale (disposition). Other elections available under tax laws may be more beneficial, depending on your individual tax situation. For Federal tax purposes, market discount income from both taxable and tax-exempt bonds is treated as taxable interest income.

If a sale, redemption or other disposition involved multiple tax lots, the transaction's totals may have been calculated using a combination of adjusted and unadjusted cost basis information. For lots where adjusted cost basis and its associated gain/loss are known, that was used, otherwise "regular" unadjusted cost basis and its associated gain/loss was used.

Miscellaneous Footnotes

CHANGE IN VALUE OF YOUR PORTFOLIO is the change in market value of your portfolio assets over the time period shown. The portfolio assets include the market value of all the securities in the account, plus insurance and annuity assets if applicable. The time frame of the graph is from account opening or September 2010, whichever is later, to the current period. Please note that large increases and/or declines in the change in the value of the portfolio can be due to additions, distribution and/or performance.

CHANGE IN VALUE reflects appreciation or depreciation of your holdings due to price changes plus any activity not reflected within Additions and Withdrawals, Misc. & Corporate Actions, Income, Taxes, Fees and Expenses, and Other Activity sections. Change in Value does not reflect activity related to assets in which NFS is not the custodian (e.g. Insurance and Annuities, Assets Held Away and Other Assets Held Away).

CALLABLE SECURITIES LOTTERY - When street name or bearer securities held for you are subject to a partial call or partial redemption by the issuer, NFS may or may not receive an allocation of called/redeemed securities by the issuer, transfer agent and/or depository. If NFS is allocated a portion of the called/redeemed securities, NFS utilizes an impartial lottery allocation system, in accordance with applicable rules, that randomly selects the securities within customer accounts that will be called/redeemed. NFS' allocations are not made on a pro rata basis and it is possible for you to receive a full or partial allocation, or no allocation. You have the right to withdraw uncalled fully paid securities at any time prior to the cutoff date and time established by the issuer, transfer agent and/or depository with respect to the partial call, and also to withdraw excess margin securities provided your account is not subject to restriction under Regulation T or such withdrawal will not cause an undermargined condition.

Miscellaneous Footnotes *continued*

PRICING INFORMATION - Prices displayed are obtained from sources that may include pricing vendors, broker/dealers who clear through NFS and/or other sources. Prices may not reflect current fair market value and/or may not be readily marketable or redeemable at the prices shown.

FOREIGN EXCHANGE TRANSACTIONS - Some transaction types necessitate a foreign currency exchange (FX) in order to settle. FX transactions may be effected by Fidelity Forex, LLC. on a principal basis. Fidelity Forex, LLC., an affiliate of NFS, may impose a commission or markup on the prevailing interbank market price, which may result in a higher price to you. Fidelity Forex, LLC. may share a portion of any FX commission or markup with NFS. More favorable rates may be available through third parties not affiliated with NFS. The rate applicable to any transaction involving an FX is available upon request through your broker-dealer.

COST BASIS LEGISLATION - New IRS Rules will require National Financial Services to report cost basis and holding period information for the sale of shares of open end Mutual Fund holdings purchased on or after January 1, 2012 on Form 1099-B. National Financial Services determines the cost basis for all shares of open end mutual funds using a default method of average cost. Alternatively, account owners or their brokers and advisors can instruct National Financial Services to determine the cost basis for shares of open end mutual funds by 1) setting up their non-retirement accounts with one of our eleven tax lot disposal methods available to investors or 2) identifying specific tax lots to sell at the time of a transaction. Contact your broker or advisor to learn more about the cost basis tracking of your holdings.

Interval Fund Owners: Please note an interval fund is structured as an unlisted closed-end mutual fund, and not a traditional open-end mutual fund. Material differences between an interval fund and a traditional open-end mutual fund may exist, including trading/liquidity limitations, and buyback and repurchase features. Please refer to the prospectus for the interval fund you own for specific information and other important considerations or contact your financial professional.

FRACTIONAL SHARE TRADING - National Financial Services ("NFS") will execute the fractional component of a customer order in a principal or riskless principal capacity. This includes fractional shares liquidations as a result of an ACATS transfer of whole shares or a dividend reinvestment that created a residual fractional position in a customer account.

PAYMENT FOR ORDER FLOW - NFS receives remuneration, compensation, or consideration for directing orders particular broker/dealers or market centers for execution. The source and nature of any compensation received in connection with your particular transaction, the name of the other party, and the time of execution will be disclosed upon written request.

GLOSSARY Short Account Balances -If you have sold securities under the short sale rule, we have, in accordance with regulations, segregated the proceeds from such transactions in your Short Account. Any market increases or decreases from the original sale price will be marked to the market and will be transferred to your Margin Account on a weekly basis. **Market Value** - The Total Market Value has been calculated out to 9 decimal places but the individual unit price is displayed in 5 decimal places. The Total Market Value represents prices obtained from various sources, may be impacted by the frequency in which such prices are reported and such prices are not guaranteed. Prices received from pricing vendors are generally based on current market quotes, but when such quotes are not available the pricing vendors use a variety of techniques to estimate value. These estimates, particularly for **fixed income securities,** may be based on certain minimum principal amounts (e.g. $1 million) and may not reflect all of the factors that affect the value of the security, including liquidity risk. In certain situations, a price may be derived from a single broker quote. The prices provided are not firm bids or offers. Certain securities may reflect "N/A" or "unavailable" where the price for such security is generally not available from a pricing source. The Market Value of a security, including those priced at par value, may differ from its purchase price and may not closely reflect the value at which the security may be sold or purchased based on various market factors. Investment decisions should be made only after consulting your broker-dealer.

Estimated Annual Income (EAI) & Estimated Yield (EY) - EAI for fixed income is calculated using the coupon rate. For all other securities, EAI is calculated using an indicated annual dividend (IAD). The IAD is an estimate of a security's dividend payments for the next 12 months calculated based on prior and/or declared dividends for that security. EY reflects only the income generated by an investment and not changes in its price which may fluctuate. Interest and dividend rates are subject to change at any time and may be affected by current and future economic, political and business conditions. EAI and EY are estimates only and may include return of principal and/or capital gains, which would render them overstated. EAI and EY are provided for informational purposes only and should not be used or relied on for making investment, trading or tax decisions. EAI and EY are based on data obtained from information providers believed to be reliable, but no assurance can be made as to accuracy, timeliness or completeness.

CUSTOMER SERVICE: Please review your statement and report any inaccuracy or discrepancy immediately by **calling the telephone number of your broker-dealer reflected on the front of this statement.** Reports of any inaccuracy or discrepancy regarding your brokerage account or the activity therein should be directed to your **broker-dealer at the telephone number and address reflected on the front of this statement** and National Financial Services LLC ("NFS").

NFS carries your brokerage account and acts as your custodian for funds and securities that are deposited with NFS by you or your broker-dealer. **In addition to your initial contact with your broker-dealer you may contact NFS at (800) 801-9942.** Any oral communications regarding inaccuracies or discrepancies should be reconfirmed in writing to protect your rights, including those under the Securities Investor Protection Act ("SIPA"). When contacting either your broker-dealer or NFS, remember to include your entire brokerage account number to ensure a prompt reply.

ADDITIONAL INFORMATION Free credit balances ("FCB") are funds payable to you on demand. FCB are subject to open commitments such as uncleared checks and exclude proceeds from sales of certificated securities without delivery of the certificate. If your FCB is swept to a core position, you can liquidate the core position and have the proceeds sent to you or held in your account subject to the terms of your account agreement. Required rule 10b-10(a) information not contained herein will be provided on written request. Fidelity may use this free credit balance in connection with its business, subject to applicable law.

Credit Adjustment Program. Accountholders receiving payments in lieu of qualified dividends may not be eligible to receive credit adjustments intended to help cover additional associated federal tax burdens. NFS reserves the right to deny the adjustment to any accountholder and to amend or terminate the credit adjustment program.

Options Customers. Each transaction confirmation previously delivered to you contains full information about commissions and other charges. If you require further information, please contact your broker-dealer. Assignments of American and European-style options are allocated among customer short positions pursuant to a random allocation procedure, a description of which is available upon request. Short positions in American-style options are liable for assignment at any time. The writer of a European-style option is subject to exercise assignment only during the exercise period. You should advise your broker-dealer promptly of any material change in your investment objectives or financial situation. **Splits, Dividends, and Interest.** Expected stock split, next dividend payable, and next interest payable information has been provided by third parties and may be subject to change. Information for certain securities may be missing if not received from third parties in time for printing. NFS is not responsible for inaccurate, incomplete, or missing information. Please consult your broker-dealer for more information about expected stock split, next dividend payable, and next interest payable for certain securities.

Equity Dividend Reinvestment Customers. Shares credited to your brokerage account resulted from transactions effected as agent by either: 1) Your broker-dealer for your investment account, or 2) through the Depository Trust Company (DTC) dividend reinvestment program. For broker-dealer effected transactions, the time of the transactions, the exchange upon which these transactions occurred and the name of the person from whom the security was purchased will be furnished upon written request. NFS may have acted as market maker in effecting trades in 'over-the-counter 'securities.

Retirement Contributions/Distributions. A summary of retirement contributions/distributions is displayed for you in the activity summary section of your statement. **Income Reporting.** NFS reports earnings from investments in Traditional IRAs, Rollover IRAs, SEP-IRAs and, Keoghs as tax-deferred income. Earnings from Roth IRAs are reported as tax-free income, since distributions may be tax-free after meeting the 5 year aging requirement and certain other conditions. **A financial statement** of NFS is available for your personal inspection at its office or a copy of it will be mailed to you upon your written request.

Statement Mailing. NFS will deliver statements by mail or, if applicable, notify you by e-mail of your statement's availability, if you had transactions that affected your cash balances or security positions held in your account(s) during the last monthly reporting period. At a minimum, all brokerage customers will receive quarterly statements (at least four times per calendar year) as long as their accounts contain a cash or securities balance.

Sales Loads and Fees. In connection with (i) access to, purchase, sale, exchange or redemption of, and/or maintenance of positions in mutual funds, ETFs and other investment products such as alternative investments or private placements ("funds") or (ii) infrastructure needed to support such funds, some funds, or their investment affiliates, pay your introducing broker dealer and/or NFS sales loads and 12b-1 fees described in the Offering Materials as well as additional compensation for shareholder services, start-up fees, platform support and maintenance, and marketing, engagement and analytics programs. Additional information about the source(s) and amount(s) of compensation as well as other remuneration received by FBS or NFS will be furnished to you upon written request. At time of purchase fund shares may be assigned a load, transaction fee or no transaction fee status. At time of sale, any fees applicable to your transaction will be assessed based on the status assigned to the shares at time of purchase. **Margin.** If you have applied for margin privileges and been approved, you may borrow money from NFS in exchange for pledging the assets in your account as collateral for any outstanding margin loan. The amount you may borrow is based on the value of securities in your margin account, which is identified on your statement. If you have a margin account, this is a combined statement of your margin account and special memorandum account other than your non-purpose margin accounts maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve Board. The permanent record of the separate account, as required by Regulation T, is available for your inspection upon request.

NYSE and FINRA. All transactions are subject to the constitution, rules, regulations, customs, usages, rulings and interpretations of the exchange market and its clearing house, if any, where the transactions are executed, and of the New York Stock Exchange (NYSE) and of the Financial Industry Regulatory Authority ("FINRA"). The FINRA requires that we notify you in writing of the availability of an investor brochure that includes information describing FINRA Regulation's BrokerCheck Program ("Program"). To obtain a brochure or more information about the Program or FINRA Regulation, contact the FINRA Regulation BrokerCheck Program Hotline at (800) 289-9999 or access the FINRA's web site at www.finra.org. **FINRA Rule 4311** requires that your broker-dealer and NFS allocate between them certain functions regarding the administration of your brokerage account. The following is a summary of the allocation services performed by your broker-dealer and NFS. A more complete description is available upon request. **Your broker-dealer is responsible for:** (1) obtaining and verifying brokerage account information and documentation, (2) opening, approving and monitoring your brokerage account, (3) transmitting timely and accurate orders and other instructions to NFS with respect to your brokerage account, (4) determining the suitability of investment recommendations and advice, (5) operating, and supervising your brokerage account and its own activities in compliance with applicable laws and regulations including compliance with margin rules pertaining to your margin account, if applicable, and (6) maintaining required books and records for the services that it performs. **NFS shall, at the direction of your broker-dealer:** (1) execute, clear and settle transactions processed through NFS by your broker-dealer, (2) prepare and send transaction confirmations and periodic statements of your brokerage account (unless your broker-dealer has undertaken to do so). Certain securities pricing and descriptive information may be provided by your broker-dealer or obtained from third parties deemed to be reliable, however, this information has not been verified by NFS, (3) act as custodian for funds and securities received by NFS on your behalf, (4) follow the instructions of your broker-dealer with respect to transactions and the receipt and delivery of funds and securities for your brokerage account, and (5) extend margin credit for purchasing or carrying securities on margin. Your broker-dealer is responsible for ensuring that your brokerage account is in compliance with federal, industry and NFS margin rules, and for advising you of margin requirements. NFS shall maintain the required books and records for the services it performs. **Securities in accounts carried by** NFS are protected in accordance with the Securities Investor Protection Corporation ("SIPC") up to $500,000. The $500,000 total amount of SIPC protection is inclusive of up to $250,000 protection for claims for cash, subject to periodic adjustments for inflation in accordance with terms of the SIPC statute and approval by SIPC's Board of Directors. NFS also has arranged for coverage above these limits. Neither coverage protects against a decline in the market value of securities, nor does either coverage extend to certain securities that are considered ineligible for coverage. For more details on SIPC, or to request a SIPC brochure, visit **www.sipc.org** or call 1-202-371-8300. Funds used to purchase or sweep to a bank deposit are SIPC protected until deposited to a Program Bank at which time funds may be eligible for FDIC insurance. Assets Held Away, commodities, unregistered investment contracts, futures accounts, loaned securities and other investments may not be covered. Precious metals are not covered by SIPC protection. Mutual funds and/or other securities are not backed or guaranteed by any bank, nor are they insured by the FDIC and involve investment risk including possible loss of principal.

End of Statement **722239.10.0**

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Agenda

Item

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Fiscal Year 2025 On-Call Contract Activity Report
MCC Controls dba Primex - *Control System Services (SCADA Services)
Contract #: PRIMEX-2024 OC
Board Meeting 4/30/25

**NTE Contract Amount	Task Order Status	Task Order Amount	Contract Amount Remaining	Task Order Number	Task Order Description	Task Order Issued Date	Payments to Date
$ 813,000							
	Open	$ 30,000	$ 783,000	1	Control System Services	8.27.24	$ 20,494.75
	Closed	$ 48,178	$ 734,822	2	PLC install and system start up RTU 20	8.26.24	$ 48,177.80
	Closed	$ 46,348	$ 688,474	3	PLC install and system start up RTU 9	8.27.24	$ 46,347.80
	Closed	$ 103,850	$ 584,624	4	Replacement hardware for RTU 3/4/6/7/17	10.17.24	$ 103,849.54
	Open	$ 47,058	$ 537,566	5	RTU-6 and device upgrades	1.29.25	$ -
	Open	$ 48,228	$ 489,338	6	RTU-7 and device upgrades	1.31.25	$ -
	Open	$ 46,298	$ 443,041	7	RTU-3 and device upgrades	1.31.25	$ -
	Open	$ 47,758	$ 395,283	8	RTU-4 and device upgrades	1.31.25	$ -
	Open	$ 47,288	$ 347,995	9	RTU-17 and device upgrades	1.31.25	$ -
$ 813,000		$ 465,005	$ 347,995				$ 218,869.89

*SBCWD Board approved 7.31.24, Contract #PRIMEX-2024 OC

**Contract expires 7.31.27



Agenda

Item

6

FIRST AMENDMENT TO AGREEMENT
REGARDING
WEST HILLS WATER TREATMENT PLANT EXPANSION PROJECT

The Agreement entered into between the San Benito County Water District (SBCWD) and C. Overaa & Co. ("Contractor") (together the "Parties") on December 18, 2024 is hereby amended in the following particulars:

1. Section 5 is amended as follows:

A. The Administrative Notice to Proceed date identified in Paragraph A as December 23, 2024 is changed to January 9, 2025.
B. The Substantial Completion date identified in Paragraph B as April 30, 2026 is changed to November 12, 2026.
C. The Final Completion date identified in Paragraph C as July 30, 2026 is changed to March 22, 2027.

2. Section 5, Paragraph E hereby deleted in its entirety and replaced with the following:

> E. If Contractor fails to complete the Project within the Contract Time, SBCWD will sustain damage. It is and will be impracticable to determine the actual damage which SBCWD will sustain in the event of and by reason of such delay, therefore Contractor will pay to SBCWD the sum set forth in the Special Conditions for each and every calendar day's delay beyond the time prescribed to complete the Work, except that such damages shall be limited to $1,000 per day an $360,000 in total due to delays of subcontractor Veolia; Contractor agrees to pay such liquidated damages as herein provided, and in case the same are not paid, agrees that SBCWD may deduct the amount thereof from any monies due or that may become due to the Contractor under the Contract.

3. SBCWD shall issue a Construction Notice to Proceed for the Developed Area on or about April 28, 2025, or as soon thereafter as is practicable.

4. SBCWD anticipates issuing a Construction Notice to Proceed for the Undeveloped Area on or about June 30, 2025 or as soon thereafter as is practicable.

5. As between the Parties, "Owner" being the San Benito County Water District, "Contractor" being C. Overaa & Co, and "Seller" being Veolia, the following language shall supersede the requirement listed in Specification Section 43 43 80, Subsection 1.5B regarding the Equipment Warranty for the High Rate Clarification System of that Construction Documents Project Manual dated December 2024:

> Indemnity provided to Owner and its Indemnitees by Contractor arising from Contractor's Agreement with Seller shall be limited to the extent of the indemnity provided by Seller. Specifically, Seller shall indemnify, defend and hold harmless from any claim, cause of action or liability (including reasonable attorney fees) incurred by Owner or Buyer as a result of third party claims for

personal injury, death, or damage to tangible property to the extent caused by Seller's negligent acts or omissions, recklessness, or intentional wrongful misconduct or that of Seller's employees or subcontractors. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Owner or Buyer:

1. Promptly notifying Seller of any claim.
2. Providing reasonable cooperation in the defense of any claim.

5. As between the Parties, "Contractor" being C. Overaa & Co, and "Seller" being Veolia, the following language shall supersede the requirement listed in Specification Section 43 43 80, Subsection 1.5C regarding the Equipment Warranty for the High Rate Clarification System of that Construction Documents Project Manual dated December 2024:

Limitation of Liability: Notwithstanding anything else to the contrary, Seller and Contractor shall not be liable for any consequential, incidental, special, punitive, or other indirect damages, and Seller and Contractor's total liability arising at any time from the sale or use of the equipment shall not exceed 100% of the contract value. These limitations apply whether the liability is based on contract, tort, strict liability, or any other theory.

Dated:

SAN BENITO COUNTY WATER DISTRICT

By_____
Dana Jacobson, General Manager

Dated:

_____
C. Overaa & Co.
By:



Agenda

Item

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Presented To

ANNE E. STULL

1995-2025

In Grateful Appreciation for

30 Years

of Dedicated Service

San Benito County Water District

President

Manager



Agenda

Item

8

Presented To

MICHAEL CRAIG

2005-2025

In Grateful Appreciation for

20 Years

of Dedicated Service

San Benito County Water District

President

Manager

SAN BENITO COUNTY WATER DISTRICT / SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

AGENDA TRANSMITTAL

Agenda Item:	9
Meeting Date:	April 30, 2025
Submitted By:	Brett Miller
Presented By:	Brett Miller
SUBJECT:	Consider Resolutions of the San Benito County Water District and San Benito County Water District Financing Authority Approving the Installment Sale Financing to Provide Financing of Water System Improvements for Zone 6 Accelerated Drought Response Project (Not-To-Exceed $42,000,000)

BACKGROUND / DISCUSSION

The District continues to move forward on making improvements to the water system. The proposed 2025 Water Revenue Bonds (the "Bonds") will fund Zone 6 projects, including the Accelerated Drought Response Project ("ADRoP" or the "Project") and other projects as determined by District staff. It is anticipated that the Project will have a total cost of approximately $60 million, of which $40 million will be funded with proceeds of the Bonds, and the balance will be funded with grant funds.

Staff, with the assistance of its financing team, have been working since the fall of 2024 to develop a financing plan that funds the Project while maintaining sufficient revenues to meet outstanding obligations of the District and operating expenses. The installment sale agreement entered into by the District that secures the repayment of the Bonds is anticipated to be on parity with the District's three outstanding debt obligations (2015 Installment Sale Agreement, 2021 Taxable Revenue Obligations, and 2021 Water Revenue Refunding Obligations). This means the net revenues of Zone 6 (gross revenues less operations and maintenance costs) are pledged to the repayment of these obligations on an equal (parity) basis.

All expenses related to the issuance of the Bonds will be paid from bond proceeds.

The Resolutions establish the financing parameters for the sale of the Bonds as follows:

1. The principal amount of the Bonds will not exceed $42,000,000.
2. The maximum true interest cost ("TIC") on the Bonds will not exceed 5.50%.
3. The Bonds will be fully amortized over 20 years.
4. Additional Bonds Test and Parity Debt Coverage Covenant is set at 120%.

The Resolutions establish these "not-to-exceed amounts" based on conservative assumptions, with the current estimates for the financing set forth in Appendix A of this staff report. If the Board desires to move forward with the issuance of the Bonds and correspondingly adopts the subject Resolutions, staff, with the assistance of Jones Hall, A Professional Law Corporation ("Bond Counsel"), NHA Advisors LLC ("Municipal Advisor") and Stifel, Nicolaus & Company, Incorporated ("Underwriter"), will finalize documentation (the forms of which are being approved by the subject resolutions) and close the transaction at first possible opportunity, which is expected to occur on or around May 22, 2025.

SUMMARY OF THE RESOLUTIONS, INSTALLMENT SALE AGREEMENT AND RELATED DOCUMENTS

The Bonds are being issued through the San Benito County Water District Financing Authority (the "Authority") who's Board Members align with the District's Board. This legal structure is utilized to maximize the reception among investors of the District's debt, and is very common in California. It also necessitates two resolutions – one for the District to approve the financing and related documents, and one for the Authority to approve the financing and related documents. The documents approved by the two Resolutions are as follows:

Installment Sale Agreement. The District and the Authority will enter into an Installment Sale Agreement (the "Installment Sale Agreement"), pursuant to which the District will purchase the Project from the Authority, and the Authority will use the installment payments made by the District to the Authority pursuant to the Installment Sale Agreement to pay debt service on the Bonds. As noted above, the District will pledge the net revenues of Zone 6 to the payment of the installment payments.

Indenture of Trust. The Indenture of Trust, between the Authority and U.S. Bank Trust Company, National Association, as trustee, sets forth the terms and provisions relating to the Bonds, including interest rates, redemption terms and events of default. It will be completed once these terms are known. The trustee administers the Bonds on behalf of the various bondholders, providing a single point of contact for the District/Authority.

Bond Purchase Agreement. The Bond Purchase Agreement is among the District, the Authority and the Underwriter, and establishes the terms and conditions pursuant to which the Underwriter will purchase the Bonds. The action of selling the Bonds to the Underwriter establishes interest rates and final terms for the financing which will allow the financing team to complete the Installment Sale Agreement and other financing documents for execution prior to closing and funding of the Project.

Preliminary Official Statement; Continuing Disclosure Certificate. The Preliminary Official Statement is the document pursuant to which the Bonds will be marketed and sold to potential investors. It sets forth information about the District, the Authority, the security and sources of repayment of the Bonds, and risk factors related to the Bonds. The distribution of the Preliminary Official Statement by the District/Authority is subject to federal securities laws, including the Securities Exchange Act of 1934. These laws require the Preliminary Official Statement to include all facts that would be material to an investor in the Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Bonds.

Included as an appendix to the Preliminary Official Statement is a Form of Continuing Disclosure Certificate. Under the Continuing Disclosure Certificate, the District will agree to provide annual disclosure reports and notices of certain events to the Municipal Securities Rulemaking Board (MSRB) via its Electronic Municipal Market Access (EMMA) service, for the benefit of the holders of the Bonds.

Delegation of Authority in Resolutions. The Bonds will be sold by the Authority to the Underwriter after the District and Authority Boards approve the financing and the credit rating by S&P Global Ratings is released. The General Manager, Manager of Administration, Finance & Business Services, or any designee of either of them have each been designated an "Authorized Representative" of the District for the purposes of structuring and providing for the execution of the Bonds, and pursuant to the Resolutions are each authorized, jointly and severally, for and in the name of and on behalf of the District and Authority, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the execution and delivery of the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has intended with the adoption of the Resolutions.

Please note that the Installment Sale Agreement, Bond Purchase Agreement, Continuing Disclosure Certificate and Indenture of Trust are being presented to the Board as form documents, as they cannot be fully completed until final interest rates and financing details are determined, which is expected to occur the week of on May 5th. This method of approval is the normal method of approving a bond issue in California.

Material Included for Information/Consideration:

1. Finance Committee Recommendation
2. Resolutions (2)
3. Form of Installment Sale Agreement
4. Form of Indenture of Trust
5. Form of Bond Purchase Agreement
6. Form of Preliminary Official Statement (including Form of Continuing Disclosure Certificate)
7. Appendix A - Good Faith Estimates
8. PowerPoint Presentation

RECOMMENDATION:

Staff recommends the Board Adopt the Resolution as presented along with the San Benito County Water District Financing Authority Board approval of a related resolution, thereby authorizing and approving the issuance of the 2025 Water Revenue Bonds.

Action Required: __X__ Resolution __X__ Motion _____ Review

Board Action

____Resolution No._____ Motion By_____ Second By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

APPENDIX A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

As required by Government Code Section 5852.1 enacted January 1, 2018 by Senate Bill 450, the following estimates have been provided by NHA Advisors, LLC, the District's municipal advisor, as of April 16, 2025:

1. Estimated True Interest Cost of the Bonds: 4.39%

2. Estimated finance charge of the Bonds, being the sum of all fees and charges paid to third parties, in the amount of approximately $507,225. Such amount consists of costs of issuing the Bonds in the amount of approximately $250,000 together with estimated underwriter's compensation in the amount of $257,225.

3. Estimated proceeds of the Bonds expected to be received by the District for deposit to the Project Fund, net of proceeds for Costs of Issuance in (2) above to paid, capitalized interest and reserves (if any) from the principal amount of the Bonds: $40,000,000.

4. Estimated Total Payment Amount for the Bonds, being the sum of all debt service to be paid on the Bonds to final maturity: $62,104,054.

**All amounts and percentages are estimates, and are made in good faith by the District based on information available as of the date of adoption of the Resolutions. Estimates include certain assumptions regarding federally taxable interest rates available in the bond market at the time of pricing the Bonds.*

BOARD AGENDA MEMO

DATE: April 22. 2025

TO: Board of Directors

FROM: Finance Committee (Tonascia/Freeman)

SUBJECT: Consider Recommending the Board Approve a Resolution Approving the Installment Sale Financing to Provide Financing of Water System Improvements for Zone 6 Accelerated Drought Response Project (Not-To-Exceed $42,000,000)

The Finance Committee met on April 22, 2025 and staff reviewed the documents related to the bond financing for the Accelerated Drought Response Project.

The Finance Committee recommends the Board Approve a Resolution Approving the Installment Sale Financing to Provide Financing of Water System Improvements for Zone 6 Accelerated Drought Response Project (Not-To-Exceed $42,000,000).

Director Tonascia

Director Freeman

DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT---DRAFT

RESOLUTION NO. 2025-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT APPROVING (1) INSTALLMENT SALE FINANCING TO PROVIDE FINANCING OF WATER SYSTEM IMPROVEMENTS, AND (2) FINANCING DOCUMENTS AND RELATED OFFICIAL ACTIONS

WHEREAS, the San Benito County Water District (the "District") owns and operates a system for the supply, treatment and distribution of water within its service area comprised of zones of the District (the "Water System"); and

WHEREAS, the District desires to finance various improvements to Zone 6 of the District ("Zone 6") as described in the hereinafter defined Installment Sale Agreement (the "Project"); and;

WHEREAS, the District and the California Statewide Communities Development Authority have entered into a Joint Exercise of Powers Agreement, dated as of November 1, 2024, establishing the San Benito County Water District Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of public capital improvements like the Project; and

WHEREAS, for the purpose of raising funds necessary to finance the Project, the Authority proposes to issue revenue bonds under the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law"), designated as the San Benito County Water District Financing Authority 2025 Water Revenue Bonds (the "Bonds"); and

WHEREAS, pursuant to an Installment Sale Agreement between the District and the Authority (the "Installment Sale Agreement"), the District will purchase the Project from the Authority, and the Authority will use the installment payments paid by the District pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information concerning the District, Zone 6 of the Water System and the Bonds to be used in connection with the sale of the Bonds; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the proposed financing is set forth in the staff report accompanying this Resolution, and such information is hereby disclosed and made public; and

WHEREAS, the Board approves all of said transactions in furtherance of the public purposes of the District, and the Board wishes at this time to authorize all proceedings and documents relating to the interim financing of the Project as described herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Benito County Water District as follows:

1. Approval of Financing Proposal. The Board hereby approves the issuance of the Bonds by the Authority under the Bond Law for the purpose of providing funds to finance the acquisition, construction and installation of the Project. The aggregate principal amount of the Bonds shall not exceed $42,000,000.

2. Approval of Installment Sale Agreement. The Board hereby approves the Installment Sale Agreement between the Authority and the District, under which the Authority agrees to provide financing for the Project and to sell the completed Project to the District in consideration of the payment by the District of semiannual installment payments which are sufficient to provide revenues with which to pay principal of and interest on the Bonds when due, which installment payments will be secured by and payable from the net revenues generated by Zone 6, as described more fully therein. The Installment Sale Agreement is hereby approved in substantially the form on file with the Board Secretary together with any changes therein or additions thereto deemed advisable by the General Manager, Assistant General Manager, or any designee of either of them (each, an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the District to execute, and the Board Secretary is hereby authorized and directed to attest to, if necessary, the final form of the Installment Sale Agreement.

3. Sale of Bonds by the Authority. The Board hereby approves the negotiated sale of the Bonds by the Authority to Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"). The Bonds shall be sold to the Underwriter under the Bond Purchase Agreement among the Authority, the District and the Underwriter, which is hereby approved in substantially the form on file with the Board Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the District to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the District.

4. Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the Board Secretary. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule. The Board approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the Board Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The Board authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

5. Official Actions. Each Authorized Officer, any assistant or deputy thereof, the Board Secretary are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including but not limited to a Continuing Disclosure Certificate in substantially the form attached to the Official Statement which is approved under Section 4, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

6. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

* * * * * * * * * *

PASSED AND ADOPTED by the Board of Directors of the San Benito County Water District at a regular meeting, this 30th day of April, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Barbara L. Mauro
Board Secretary

APPROVED:

Doug Williams
Board President

DRAFT---DRAFT—DRAFT---DRAFT---DRAFT---DRAFT---DRAFT

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

RESOLUTION NO. 2025-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY APPROVING (1) INSTALLMENT SALE FINANCING TO PROVIDE FINANCING OF WATER SYSTEM IMPROVEMENTS, AND (2) FINANCING DOCUMENTS AND RELATED OFFICIAL ACTIONS

WHEREAS, the San Benito County Water District (the "District") owns and operates a system for the supply, treatment and distribution of water within its service area comprised of zones of the District (the "Water System"); and

WHEREAS, the District desires to finance various improvements to Zone 6 of the District ("Zone 6") as described in the hereinafter defined Installment Sale Agreement (the "Project"); and;

WHEREAS, the District and the California Statewide Communities Development Authority have entered into a Joint Exercise of Powers Agreement, dated as of November 1, 2024, establishing the San Benito County Water District Financing Authority (the "Authority") for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of public capital improvements like the Project; and

WHEREAS, for the purpose of raising funds necessary to finance the Project, the Authority proposes to issue revenue bonds under the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law"), designated as the San Benito County Water District Financing Authority 2025 Water Revenue Bonds (the "Bonds"); and

WHEREAS, pursuant to an Installment Sale Agreement between the District and the Authority (the "Installment Sale Agreement"), the District will purchase the Project from the Authority, and the Authority will use the installment payments made by the District to the Authority pursuant to the Installment Sale Agreement to pay debt service on the Bonds; and

WHEREAS, there has been prepared a Preliminary Official Statement containing information concerning the District, Zone 6 of the Water System and the Bonds to be used in connection with the sale of the Bonds; and

WHEREAS, pursuant to Government Code Section 5852.1, certain information relating to the proposed financing is set forth in the staff report accompanying this Resolution, and such information is hereby disclosed and made public; and

WHEREAS, the governing board (the "Board") of the Authority has duly considered such transactions and wishes at this time to approve the financing documents related to the Bonds and certain related actions.

NOW, THEREFORE, BE IT RESOLVED by the San Benito County Water District Financing Authority as follows:

1. Issuance of Bonds. The Board hereby authorizes the issuance of the Bonds under the Bond Law for the purpose of providing funds to finance the acquisition, construction and installation of the Project. The aggregate principal amount of the Bonds shall not exceed $42,000,000.

2. Approval of Related Financing Agreements. The Board hereby approves each of the following agreements relating to the issuance and sale of the Bonds, in substantially the respective forms on file with the Secretary, together with any changes therein or additions thereto deemed advisable by the Executive Director or the Treasurer (each, an "Authorized Officer"), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to execute, and the Secretary is hereby authorized and directed to attest to, if necessary, the final form of each of the following agreements:

- Indenture of Trust, between the Authority and U.S. Bank Trust Company, National Association, as trustee, setting forth the terms and provisions relating to the Bonds.

- Installment Sale Agreement, between the Authority and the District, under which the Authority agrees to provide financing for the Project and to sell the completed Project to the District in consideration of the payment by the District of semiannual installment payments which are sufficient to provide revenues with which to pay principal of, and interest on, the Bonds when due, which installment payments will be secured by and payable from the net revenues generated by Zone 6, as described more fully therein.

3. Sale of Bonds. The Board hereby approves the sale of the Bonds by negotiation with Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"). The Bonds shall be sold to the Underwriter under the Bond Purchase Agreement among the Authority, the District and the Underwriter, which is hereby approved in substantially the form on file with the Secretary, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions; provided, that the Underwriter's discount shall not exceed 0.7%, and the true interest cost of the Bonds shall not exceed 5.50%. An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the Authority to accept an offer from the Underwriter to purchase the Bonds from the Authority and to execute the final form of the Bond Purchase Agreement in the name of the Authority.

4. Official Statement. The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a preliminary Official Statement for the Bonds in the form on file with the Secretary. An Authorized Officer is authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Authority's determination that said preliminary Official Statement has been deemed final within the meaning of said Rule.

The Board approves the distribution of the preliminary Official Statement by the Underwriter to prospective investors, in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer. An Authorized Officer is authorized and directed to approve any changes in or additions to a final form of an Official Statement for the Bonds, and the execution thereof by an Authorized Officer will be conclusive evidence of approval of any such changes and additions. The Board authorizes the distribution of the final Official Statement by the Underwriter, which will include final pricing information related to the Bonds.

5. Official Actions. The Chair, Executive Director, Treasurer, Secretary and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of any person serving in such role in an interim capacity or by any officer or person designated by such officer to act on his or her behalf.

6. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

* * * * * * * * * *

PASSED AND ADOPTED by the Board of Directors of the San Benito County Water District Financing Authority during a regular meeting, this 30th day of April, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:	APPROVED:
_____ Barbara L. Mauro Board Secretary	_____ Doug Williams Board President

INSTALLMENT SALE AGREEMENT

Dated as of May 1, 2025

between the

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY,
as Seller

and the

SAN BENITO COUNTY WATER DISTRICT,
as Purchaser

Relating to

$_____
San Benito County Water District Financing Authority
2025 Water Revenue Bonds

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INSTALLMENT SALE AGREEMENT

This INSTALLMENT SALE AGREEMENT (this "Agreement"), dated as of May 1, 2025, is between the SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), as seller, and the SAN BENITO COUNTY WATER DISTRICT, a special district organized and existing under and by virtue of the laws of the State of California (the "District"), as purchaser.

BACKGROUND:

1. The District owns and operates a system for the supply, treatment and distribution of water within its service area comprised of zones of the District (the "Water System"), and the District desires to finance various improvements to Zone 6 of the District ("Zone 6") as described herein (the "2025 Water Project").

2. The Authority has been organized for the purpose of assisting the District in its public purposes, and to that end the Authority is authorized to assist the District in financing the costs of acquisition, construction and installation of the 2025 Water Project.

3. In order to provide funds to finance the acquisition, construction and installation of the 2025 Water Project, the Authority has proposed to sell the 2025 Water Project to the District on an installment basis, and the District has proposed to purchase the 2025 Water Project from the Authority as provided in this Agreement.

4. The Authority will provide the necessary funds for the acquisition, construction and installation of the 2025 Water Project by issuing its San Benito County Water District Financing Authority 2025 Water Revenue Bonds (the "2025 Bonds"), in the aggregate principal amount of $_____ under an Indenture of Trust dated as of May 1, 2025, by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Indenture"), and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law").

5. The debt service on the 2025 Bonds will be payable from Installment Payments made under this Agreement.

6. Repayment of the Installment Payments by the District shall be secured by a pledge of the Net Revenues of Zone 6, on a parity with the pledge in favor of the holders of Parity Obligations (as defined herein).

7. The Authority and the District have both duly authorized the execution and delivery of this Agreement.

AGREEMENT:

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Authority formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

SECTION 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Agreement have the respective meanings given them in Article I of the Indenture.

SECTION 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to the Authority and the Trustee as follows:

(a) Due Organization and Existence. The District is a special district duly organized and validly existing under the laws of the State of California, has full legal right, power and authority under said laws to enter into this Agreement and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the District Board has duly authorized the execution and delivery of this Agreement.

(b) Due Execution. The officers of the District executing this Agreement are fully authorized to execute the same.

(c) Valid, Binding and Enforceable Obligations. This Agreement has been duly authorized, executed and delivered by the District and constitutes the legal, valid and binding agreement of the District enforceable against the District in accordance with its terms; except as the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and except as such enforceability may be subject to the exercise of judicial discretion in accordance with principles of equity.

(d) No Conflicts. The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially adversely affect the consummation of the transactions contemplated by this Agreement or the financial condition, assets, properties or operations of the District, including but not limited to the performance of the District's obligations under this Agreement.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Indenture, or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Indenture, or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by this Indenture, or the financial conditions, assets, properties or operations of the District, including but not limited to the payment and performance of the District's obligations under this Indenture.

(g) Encumbrances. There are no easements, encumbrances or interests with respect to Zone 6 or the 2025 Water Project that prohibit or materially impair the execution, delivery and performance of this Installment Sale Agreement or the acquisition or use of the 2025 Water Project or the facilities or operations of Zone 6.

SECTION 2.2. Representations, Covenants and Warranties of Authority. The Authority represents, covenants and warrants to the District and the Trustee as follows:

(a) Due Organization and Existence. The Authority is a joint exercise of powers authority organized and existing under the laws of the State of California,

and has power to enter into this Agreement and the Indenture and to perform the duties and obligations imposed on it hereunder and thereunder. The Board of the Authority has duly authorized the execution and delivery of this Agreement and the Indenture.

(b) Due Execution. The representatives of the Authority executing this Agreement and the Indenture are fully authorized to execute the same.

(c) Valid, Binding and Enforceable Obligations. This Agreement and the Indenture have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms; except as the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and except as such enforceability may be subject to the exercise of judicial discretion in accordance with principles of equity.

(d) No Conflicts. The execution and delivery hereof and of the Indenture, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Authority is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Authority, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially adversely affect the consummation of the transactions contemplated hereby and by the Indenture or the financial condition, assets, properties or operations of the Authority, including but not limited to the performance of the Authority's obligations under this Agreement and the Indenture.

(e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Authority, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery hereof or of the Indenture, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Authority after reasonable investigation, threatened against or affecting the Authority or the assets, properties or operations of the Authority which, if determined adversely to the Authority or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Agreement or the Indenture, or upon the financial condition, assets, properties or operations of the Authority, and the Authority is not in default with respect to any

order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially adversely affect the consummation of the transactions contemplated by this Agreement or the Indenture or the financial conditions, assets, properties or operations of the Authority, including but not limited to the performance of the Authority's obligations hereunder and under the Indenture.

(g) Encumbrances. To the best knowledge of the Authority, there are no easements, encumbrances or interests with respect to Zone 6 or the 2025 Water Project that prohibit or materially impair the execution, delivery and performance of this Installment Sale Agreement or the acquisition or use of the 2025 Water Project or the facilities or operations of Zone 6.

ARTICLE III

ISSUANCE OF 2025 BONDS; CONSTRUCTION OF 2025 WATER PROJECT

SECTION 3.1. The 2025 Bonds. The Authority shall cause the 2025 Bonds to be issued under the Indenture in the aggregate principal amount of $_____. The Trustee shall deposit the proceeds of sale of the 2025 Bonds received by it on the Closing Date in accordance with the Indenture. The District hereby approves the Indenture, the assignment thereunder to the Trustee of certain rights of the Authority, and the issuance of the 2025 Bonds.

SECTION 3.2. Deposit and Application of Funds. The proceeds received by the Trustee from the sale of the Bonds to the Original Purchaser shall be deposited in the respective funds and accounts, and in the respective amounts, as set forth in Section 3.02 of the Indenture.

SECTION 3.3. Acquisition and Construction of the 2025 Water Project. The Authority hereby agrees with due diligence to supervise and provide for, or cause to be supervised and provided for, the acquisition, construction and installation of the 2025 Water Project in accordance with the plans and specifications, purchase orders, construction contracts and other documents relating thereto and approved by the District under all applicable requirements of law. All contracts for, and all work relating to, the acquisition, construction and installation of the 2025 Water Project are subject to all applicable provisions of law relating to the acquisition and construction of public works by the District. The Authority expects that the 2025 Water Project will be completed on or before September 2026. The failure of the Authority to complete the 2025 Water Project by that date does not constitute an Event of Default hereunder or grounds for termination hereof, nor does any such failure result in the diminution, abatement or extinguishment of the obligations of the District hereunder to pay the Installment Payments when due hereunder.

SECTION 3.4. Appointment of District as Agent. The Authority hereby appoints the District as its agent to carry out all phases of the acquisition, construction and installation of the 2025 Water Project under and in accordance with the provisions hereof. The District hereby accepts such appointment and assumes all rights, liabilities, duties and responsibilities of the Authority regarding the acquisition, construction and installation of the 2025 Water Project. As agent of the Authority hereunder, the District shall enter into, administer and enforce all purchase orders or other contracts relating to the 2025 Water Project. Payment of Project Costs shall be

made by the District from amounts held by the Trustee in the Project Fund in accordance with the provisions of this Agreement and the provisions of the Indenture.

SECTION 3.5. Plans and Specifications. The District has the right to specify the exact scope, nature and identification of the 2025 Water Project and the respective components thereof. Before any payment is made for the 2025 Water Project or any component thereof from amounts on deposit in the Project Fund, the District must prepare detailed plans and specifications relating thereto. The District may from time to time amend any such plans and specifications, and thereby change or modify the description of the 2025 Water Project or any component thereof.

SECTION 3.6. Certificate of Completion. Upon the completion of the 2025 Water Project, but in any event not later than 30 days following such completion, an Authorized Representative of the District shall execute and deliver to the Authority and the Trustee a Written Certificate of the District which (a) states that the construction of the 2025 Water Project has been substantially completed, (b) identifies the total Project Costs thereof, and (c) identifies the amounts, if any, to be reserved in the Project Fund for payment of future Project Costs.

ARTICLE IV

SALE OF PROJECTS; INSTALLMENT PAYMENTS

SECTION 4.1. Sale of 2025 Water Project. The Authority hereby sells, bargains and conveys the 2025 Water Project to the District, and the District hereby purchases the 2025 Water Project from the Authority, upon the terms and conditions set forth in this Agreement.

SECTION 4.2. Term. The Term of this Agreement commences on the Closing Date, and ends on October 1, 20___, or such later or earlier date on which the Bonds cease to be Outstanding under and within the meaning of the Indenture.

SECTION 4.3. Title. Title to the 2025 Water Project, and each component thereof, shall be deemed conveyed by the Authority to and vested in the District upon the completion of the acquisition, construction and installation thereof. The Authority and the District will execute, deliver and cause to be recorded any and all documents reasonably required by the District to consummate the foregoing transfer of title.

SECTION 4.4. Installment Payments.

(a) Obligation to Pay. The District hereby agrees to pay to the Authority, as the purchase price of the 2025 Water Project hereunder, the aggregate principal amount of $_____ together with interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid principal balance thereof, payable in semiannual installment payments in the respective amounts and on the respective Installment Payment Dates specified in Appendix A hereto.

The District shall deposit the Installment Payment coming due and payable on any Interest Payment Date with the Trustee, as assignee of the Authority under the Indenture, on the related Installment Payment Date (as set forth in Exhibit A hereto) in an amount which, together with amounts then held by the Trustee in the Bond Fund, is equal to the full amount of such Installment

Payment. The Installment Payments are secured by and payable solely from the sources specified in Section 4.5.

(b) Effect of Prepayment. If the District prepays all remaining Installment Payments in full under Section 7.2 or Section 7.3, or under the relevant provisions of any Supplemental Agreement, the District's obligations under this Agreement shall thereupon cease and terminate, including but not limited to the District's obligation to pay Installment Payments therefor under this Section 4.4; *provided, however,* that the District's obligations to compensate and indemnify the Trustee under Sections 4.7 and 5.2 will survive such prepayment. If the District prepays the Installment Payments in part but not in whole under Section 7.2 or Section 7.3, or under the relevant provisions of any Supplemental Agreement, the principal component of each succeeding Installment Payment will be reduced as provided in such Sections or in such Supplemental Agreement, and the interest component of each remaining Installment Payment will be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Bonds thereby redeemed under the applicable provisions of the Indenture.

(c) Rate on Overdue Payments. If the District fails to make any of the payments required in this Section 4.4 and Section 4.7, the payment in default will continue as an obligation of the District until fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment, at the Overdue Rate.

(d) Assignment. The District understands and agrees that certain rights of the Authority, including but not limited to the right of the Authority to receive payment of the Installment Payments, have been assigned by the Authority to the Trustee in trust under the Indenture, for the benefit of the Owners of the Bonds, and the District hereby consents to such assignment. The Authority hereby directs the District, and the District hereby agrees, to pay to the Trustee at its Principal Corporate Trust Office, all payments payable by the District under this Section 4.4 and all amounts payable by the District under Article VII.

SECTION 4.5. Pledge and Application of Net Revenues.

(a) Pledge of Net Revenues. All of the Net Revenues (defined with respect to Zone 6 only) and all moneys on deposit in certain funds and accounts established and held by the Trustee under the Indenture are hereby irrevocably pledged, charged and assigned to the punctual payment of the Installment Payments, as described herein and in the Indenture. Such pledge, charge and assignment constitute a lien on the Net Revenues and such other moneys for the payment of the Installment Payments in accordance with the terms hereof, on a parity with the pledge and lien which secures any Parity Obligations.

(b) Deposit of Net Revenues Into Water Fund; Transfers to Make Payments. The District will establish and hold in trust the Water Fund (previously established for Zone 6), for the purposes and uses set forth herein. The District shall deposit all of the Gross Revenues in the Water Fund immediately upon receipt. The District shall apply amounts in the Water Fund as set forth in this Agreement and any Parity Obligations Documents. Amounts on deposit in the Water Fund shall be applied by the District to pay when due the following amounts in the following order of priority:

(i) all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs) as such Maintenance and Operation Costs become due and payable;

(ii) to the Trustee (or other recipient set forth in a Parity Obligations Document) the amount needed to pay the Installment Payments and principal of, and interest on, any Parity Obligation;

(iii) to the Trustee (or other recipient set forth in a Parity Obligations Document) the amount of any deficiency in any reserve fund established for any Parity Obligation (or to pay any reserve insurer any amounts owed in connection with any draw on any reserve fund insurance policy), the notice of which deficiency has been given to the District in accordance with the Indenture and the related Parity Obligations Documents, on a pro rata basis; and

(iv) as long as all of the foregoing payments, allocations and transfers are made at the times and in the manner set forth above, any moneys remaining in the Water Fund may at any time be treated as surplus and applied for any lawful purpose.

(c) No Preference or Priority. Payment of the Installment Payments and the principal of and interest on any Parity Obligation shall be made without preference or priority among the Installment Payments and such Parity Obligation. If the amount of Net Revenues on deposit in the Water Fund is at any time insufficient to enable the District to pay when due the Installment Payments and the principal of and interest on any Parity Obligation (or payments made in accordance with any reserve account or reserve fund, including to pay any reserve insurer any amounts owed in connection with any draw on any reserve fund insurance policy), such payments shall be made on a pro rata basis.

SECTION 4.6. Special Obligation of the District; Obligations Absolute. The District's obligation to pay the Installment Payments and any other amounts coming due and payable hereunder is a special obligation of the District limited solely to the Net Revenues. Under no circumstances is the District required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments and such other amounts. No other funds or property of the District are liable for the payment of the Installment Payments and any other amounts coming due and payable hereunder.

The obligations of the District to pay the Installment Payments from the Net Revenues and to perform and observe the other agreements contained herein are absolute and unconditional and are not subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by the Authority or the Trustee of any obligation to the District or otherwise with respect to Zone 6, whether hereunder or otherwise, or out of indebtedness or liability at any time owing to the District by the Authority or the Trustee. Until all of the Installment Payments, all of the Additional Payments and all other amounts coming due and payable hereunder are fully paid or prepaid, the District (a) will not suspend or discontinue payment of any Installment Payments, Additional Payments or such other amounts, (b) will perform and observe all other agreements contained in this Agreement, and (c) will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the facilities of Zone 6, failure to complete the acquisition and construction of the 2025 Water Project by the estimated completion date thereof, sale of the facilities of Zone 6, the taking by eminent domain of title to or temporary use of any component of Zone 6, commercial frustration of purpose, any change in the tax law or other laws of the United States of America or the State

of California or any political subdivision of either thereof, or any failure of the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture or this Agreement.

The foregoing provisions of this Section 4.6 do not release the Authority from the performance of any of the agreements on its part contained herein or in the Indenture, and if the Authority fails to perform any such agreements, the District may institute such action against the Authority as the District deems necessary to compel performance, so long as such action does not abrogate the obligations of the District contained in the preceding paragraph. The District may, however, at its cost and expense and in its name or in the name of the Authority, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's rights hereunder, and in such event the Authority shall cooperate fully with the District and shall take such action necessary to effect the substitution of the District for the Authority in such action or proceeding as the District may request.

SECTION 4.7. Additional Payments. In addition to the Installment Payments, the District shall pay when due the following amounts to the following parties:

(a) to the Authority, all costs and expenses incurred by the Authority to comply with the provisions of this Agreement and the Indenture;

(b) to the Trustee upon request therefor, all of its fees, costs and expenses payable as a result of the performance of and compliance with its duties hereunder or under the Indenture or any related documents;

(c) to the Authority and the Trustee, all amounts required to indemnify the Authority and the Trustee under Section 5.2 hereof and Section 8.07 of the Indenture; and

(d) all costs and expenses of auditors, engineers and accountants for professional services relating to Zone 6 or the Bonds.

(e) all amounts payable to the Insurer not classified as Installment Payments, including Policy Costs (as defined in the Indenture)

Other than Policy Costs, the Additional Payments shall be payable from, but shall not be secured by a pledge or lien upon, the Net Revenues. In order to secure the District's obligation to pay Additional Payments with respect to Policy Costs, there is hereby granted and perfected in favor of the Insurer a security interest (subordinate only to the payment of Installment Payments) in all Net Revenues. The rights of the Trustee and the Authority under this Section 4.7, and the obligations of the District under this Section 4.7, shall survive the termination of this Agreement.

ARTICLE V

COVENANTS OF THE DISTRICT

SECTION 5.1. Disclaimer of Warranties; Maintenance, Utilities and Taxes.

(a) The Trustee makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the District of the Project or any component thereof, or any other representation or warranty with respect to any of the Project or any component thereof. In no event is the Authority liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Agreement or the Indenture for the existence, furnishing, functioning or use of the Project.

(b) Throughout the Term of this Agreement, all improvement, repair and maintenance of the facilities of Zone 6 shall be the responsibility of the District, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to Zone 6, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, Water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the facilities of Zone 6 resulting from ordinary wear and tear.

The District shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Authority or the District affecting Zone 6 or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the Term of this Agreement as and when the same become due.

SECTION 5.2. Release and Indemnification Covenants. The District agrees to indemnify the Authority and the Trustee and their respective officers, agents, successors and assigns, against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on or with respect to Zone 6 by the District, (b) any breach or default on the part of the District in the performance of any of its obligations under this Agreement or the Indenture, (c) any act or omission of the District or of any of its agents, contractors, servants, employees or licensees with respect to Zone 6, and (d) any act or omission of any lessee of the District with respect to Zone 6. No indemnification is made under this Section 5.2 or elsewhere in this Agreement for willful misconduct or negligence under this Agreement by the Authority, or the Trustee, or their respective officers, agents, employees, successors or assigns. The provisions of this Section 5.2 shall survive the expiration of the Term of this Agreement.

SECTION 5.3. Sale or Eminent Domain.

(a) The District will not sell, lease or otherwise dispose of the facilities of Zone 6 or any part thereof essential to the proper operation of Zone 6 or to the maintenance of the Net Revenues except as herein expressly permitted. The District will not enter into any lease or agreement which impairs the operation of Zone 6 or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal or redemption price, if any, on the Bonds, or which would otherwise impair the rights of the holders of the Bonds with respect to the Net Revenues or the operation of Zone 6. Any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of Zone 6, or any material or equipment which

has worn out, may be sold at not less than the market value thereof without the consent of the holders of the Bonds if such sale will not reduce Net Revenues and if all of the Net Proceeds of such sale are deposited in the Water Fund.

(b) If all or any part of the facilities of Zone 6 shall be taken by eminent domain proceedings, the Net Proceeds realized by the District therefrom shall be applied by the District (a) to the cost of acquiring or constructing or financing improvements for Zone 6, or (b) to redeem Bonds or any Parity Obligation in accordance with the Indenture or the applicable Parity Obligations Documents.

SECTION 5.4. Insurance. The District covenants that it shall at all times maintain such insurance with respect to Zone 6 as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties.

Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the District, or may be in the form of self-insurance by the District. The District shall establish such fund or funds or reserves as it determines, in its sole judgment, are necessary to provide for its share of any such self-insurance.

All amounts collected from insurance against accident to or destruction of any portion of the facilities of Zone 6 shall be used to repair or rebuild such damaged or destroyed portion thereof, and to the extent not so applied, shall be applied to redeem Bonds or any Parity Obligation in accordance with the Indenture or the applicable Parity Obligations Documents.

SECTION 5.5. Records and Accounts. The District covenants that it shall keep proper books of record and accounts with respect to Zone 6, in which complete and correct entries shall be made of all transactions relating to Zone 6. Said books shall, upon reasonable request, be subject to the inspection of the Owners of not less than 10% of the Outstanding Bonds or their representatives authorized in writing.

The District covenants that it will cause the books and accounts with respect to Zone 6 to be audited annually by an Independent Certified Public Accountant and will make available for inspection by the Bond Owners, upon reasonable request, a copy of the report of such Independent Certified Public Accountant.

The District covenants that it will cause to be prepared annually, not more than 180 days after the close of each Fiscal Year, as a part of its regular annual financial report, a summary statement showing the amount of Gross Revenues and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of principal of and interest on the Bonds, the disbursements from the Gross Revenues and other funds in reasonable detail. The District shall furnish a copy of the statement to the Trustee, and upon written request, to any Bond Owner.

SECTION 5.6. Rates and Charges.

(a) The District shall fix, prescribe, revise and collect rates and charges for Zone 6 during each Fiscal Year which are at least sufficient, after making allowances for contingencies and error in the estimates, to produce Gross Revenues which will be sufficient to pay the following amounts:

(i) all Operations and Maintenance Costs of Zone 6 estimated by the District to become due and payable in such Fiscal Year;

(ii) the Installment Payments and Debt Service on any Parity Obligations;

(iii) all other payments required for compliance with this Agreement, the Indenture and the Parity Obligations Documents; and

(iv) all payments required to meet any other obligations of the District that are charges, liens, encumbrances upon or payable from the Gross Revenues or the Net Revenues of Zone 6.

(b) In addition, the District shall fix, prescribe, revise and collect charges for Zone 6 during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 120% of the amounts payable under the preceding clause (a)(ii) in such Fiscal Year. For purposes of this paragraph, the amount of Net Revenues for a Fiscal Year will be computed on the basis that any transfers into the Water Fund in such Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the District in such Fiscal Year, so as to avoid double-counting), as provided in this Agreement.

SECTION 5.7. Superior and Subordinate Obligations. The District may not issue or incur any additional bonds or other obligations during the Term of this Agreement having any priority in payment of principal or interest out of the Net Revenues over the Installment Payments. Nothing herein is intended or shall be construed to limit or affect the ability of the District to issue, enter into or incur (a) any Parity Obligation under Section 5.8, or (b) obligations which are either unsecured or which are secured by an interest in the Net Revenues which is junior and subordinate to the of and lien upon the Net Revenues established hereunder.

SECTION 5.8. Issuance of Parity Obligations. The District may issue or execute additional bonds, notes, leases, installment sale agreements and other obligations payable from and secured by a pledge of and lien upon some or all of the Net Revenues, on parity with the Installment Payments and the other Parity Obligations, subject to the following specific conditions precedent:

(a) The District is in compliance with all covenants set forth in this Agreement and in the Indenture.

(b) The Net Revenues (defined with respect to Zone 6 only), calculated on generally accepted accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent 12-month period selected by the District ending not more than 60 days prior to the adoption of the applicable Parity Obligations Document pursuant to which such Parity Obligation is issued, as shown by the books of the District, plus, at the option of the District, any or all of the items hereinafter in this paragraph designated (i) and (ii), shall at least equal 120% of Maximum Annual Debt Service, with Maximum Annual Debt Service calculated on all bonds and other obligations to be outstanding immediately subsequent to the issuance of such Parity Obligation which have a lien on said Net Revenues. The items any or all of which may be added to such Net Revenues for the purpose of issuing or incurring Parity Obligation hereunder are the following:

(i) An allowance for Net Revenues from any additions to or improvements or extensions with respect to Zone 6 to be made with the proceeds of such Parity Obligation, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of such Fiscal Year or such 12-month period, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown in the written report of an Independent Consultant engaged by the District; and

(ii) An allowance for revenues projected to arise from any increase in the rates and charges which has been approved by the District Board prior to the incurring of such additional indebtedness but which, during all or any part of such Fiscal Year or such 12-month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in rates and charges had been in effect during the whole of such Fiscal Year or such 12-month period, all as shown in the written report of an Independent Consultant engaged by the District. For the avoidance of doubt, a charge shall be considered to have been approved by the District Board and may be considered in the calculation of the allowance described in the previous sentence if the water rate and charge is part of a multi-year rate increase that has been approved by the District Board, even if the specific rate and charge will not take effect until a subsequent Fiscal Year.

(c) Notwithstanding the foregoing, any Parity Obligation proposed to be issued for the purpose of refunding any Parity Obligation may be issued without compliance with subsection (b) and (c)(i), so long as such refunding results in lower Debt Service in each Fiscal Year after such refunding and the final maturity (or termination) date of the refunding Parity Obligation is no later than the final maturity (or termination) date of the refunded Parity Obligation. For clarity, Parity Obligations may or may not be secured by a debt service reserve fund.

SECTION 5.9. Maintenance and Operation of Zone 6 in Efficient and Economical Manner. The District covenants and agrees to maintain and operate Zone 6 in an efficient and economical manner and to operate, maintain and preserve Zone 6 in good repair and working order.

SECTION 5.10. Assignment and Amendment. The Authority and the District may at any time amend or modify any of the provisions of this Agreement, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds; or (b) without the consent of the Trustee or any of the Bond Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District contained in this Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the District;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, to conform to the original intention of the District and the Authority;

(iii) to modify, amend or supplement this Agreement in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code (provided that this provision shall not apply to bonds the interest on which is intended to be included in gross income for purposes of federal income taxation);

(iv) in any other respect whatsoever as the Authority and the District deem necessary or desirable, if in the opinion of Bond Counsel such modifications or amendments do not materially adversely affect the interests of the Owners of the Bonds; and

(v) to provide for the issuance of any Parity Obligation pursuant to Section 5.8 hereof.

No such modification or amendment may extend or have the effect of extending any Installment Payment Date or reducing any Installment Payment or any premium payable upon the prepayment thereof, without the express consent of the Owners of the affected Bonds, or modify any of the rights or obligations of the Trustee without its written assent thereto.

SECTION 5.11. Continuing Disclosure. The District hereby covenants and agrees to comply with and carry out all of the provisions of each Continuing Disclosure Certificate, as originally executed as of the date of issuance and delivery of the Bonds, and as it may be amended from time to time in accordance with its terms. Notwithstanding any other provision of this Agreement, failure by the District to comply with the Continuing Disclosure Certificate shall not constitute a default hereunder or under the Indenture of Trust; *provided, however*, that any Participating Underwriter or any Owner or beneficial owner of the Bonds may take such action as may be necessary and appropriate to compel performance by the District of its obligations under this Section, including seeking mandamus or specific performance by court order. All capitalized terms used but not defined in this Section shall have the meanings given in the Continuing Disclosure Certificate.

SECTION 5.12. Rate Stabilization Fund. The District has previously established a rate stabilization fund (the "Rate Stabilization Fund"). From time to time the District may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien which secures the Installment Payments and any Parity Debt, as the District may determine.

The District may, but is not required to, withdraw from any amounts on deposit in a Rate Stabilization Fund and deposit such amounts in the Water Fund within 210 days following the end of any Fiscal Year. Amounts so transferred from a Rate Stabilization Fund to the Water Fund shall constitute Gross Revenues for the applicable Fiscal Year (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the District in such Fiscal Year, so as to avoid double-counting), and shall be applied for the purposes of the Water Fund. Amounts on deposit in a Rate Stabilization Fund shall not be pledged to or otherwise secure the Installment Payments or any Parity Debt. The District has the right at any time to withdraw any or all amounts on deposit in a Rate Stabilization Fund and apply such amounts for any lawful purposes of the District.

ARTICLE VI

EVENTS OF DEFAULT

SECTION 6.1. Events of Default Defined. The following events constitute Events of Default hereunder:

(a) Failure by the District to pay any Installment Payment when due and payable hereunder.

(b) Failure by the District to pay any Additional Payment when due and payable hereunder, and the continuation of such failure for a period of 30 days.

(c) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clauses (a) or (b), for a period of 60 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Authority or the Trustee; *provided, however,* that if the District notifies the Authority and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 60-day period, such failure will not constitute an event of default hereunder if the District commences to cure such failure within such 60 day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

(d) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

(e) The occurrence of any event defined to be an event of default under any Parity Obligations Documents.

SECTION 6.2. Remedies on Default. If an Event of Default occurs and is continuing, the Trustee as assignee of the Authority has the right, at its option and without any further demand or notice, to take any one or more of the following actions:

(a) Declare all principal components of the unpaid Installment Payments, together with accrued interest thereon at the Overdue Rate from the immediately preceding Interest Payment Date on which payment was made, to be immediately due and payable, whereupon the same shall immediately become due and payable.

Notwithstanding the foregoing provisions of this subsection (a), the Trustee shall rescind and annul such declaration and its consequences if, before any judgment or decree for the payment of the moneys due has been obtained or

entered, (i) the District deposits with the Trustee a sum sufficient to pay all principal components of the Installment Payments coming due prior to such declaration and all matured interest components (if any) of the Installment Payments, with interest on such overdue principal and interest components calculated at the Overdue Rate, and (ii) the District pays the reasonable expenses of the Trustee (including any fees and expenses of its attorneys), and (iii) any and all other defaults known to the Trustee (other than in the payment of the principal and interest components of the Installment Payments due and payable solely by reason of such declaration) have been made good. No such rescission and annulment will extend to or shall affect any subsequent default, or impair or exhaust any right or power consequent thereon.

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Agreement.

(c) As a matter of right, in connection with the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Owners hereunder, cause the appointment of a receiver or receivers of the Gross Revenues and other amounts pledged hereunder, with such powers as the court making such appointment may confer.

SECTION 6.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive. Every such remedy is cumulative and in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default impairs any such right or power or operates as a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article VI, it is not necessary to give any notice, other than such notice as may be required in this Article VI or by law.

SECTION 6.4. Agreement to Pay Attorneys' Fees and Expenses. If either party to this Agreement defaults under any of the provisions hereof and the nondefaulting party, the Trustee or the Owner of any Bonds employs attorneys or incurs other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party, the Trustee or such Owner, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred. The provisions of this Section 6.4 survive the expiration of the Term of this Agreement.

SECTION 6.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and does not waive any other breach hereunder.

SECTION 6.6. Trustee and Bond Owners to Exercise Rights. Such rights and remedies as are given to the Authority under this Article VI have been assigned by the Authority to the Trustee under the Indenture, to which assignment the District hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Bonds as provided in the Indenture.

ARTICLE VII

PREPAYMENT OF INSTALLMENT PAYMENTS

SECTION 7.1. Security Deposit. Notwithstanding any other provision hereof, the District may on any date secure the payment of Installment Payments, in whole or in part, by irrevocably depositing with the Trustee an amount of cash which, together with other available amounts, is either:

(a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due under Section 4.4(a), or

(b) invested in whole or in part in non-callable Defeasance Obligations in such amount as will, in the opinion of an Independent Certified Public Accountant (which opinion is addressed and delivered to the Trustee), together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due under Section 4.4(a) or when due on any optional prepayment date under Section 7.2, as the District instructs at the time of said deposit.

If the District makes a security deposit under this Section for the payment of all remaining Installment Payments and all Policy Costs owing to the Insurer (as those terms are defined in the Indenture), all obligations of the District hereunder, and the pledge of Net Revenues and all other security provided by this Agreement for said obligations, will thereupon cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments from the security deposit. The security deposit will be deemed to be and will constitute a special fund for the payment of the Installment Payments in accordance with the provisions hereof.

SECTION 7.2. Optional Prepayment Relating to the 2025 Bonds. The District may exercise its option to prepay the principal components of the Installment Payments relating to the 2025 Bonds in whole or in part on any date on or after October 1, 2034. The District may exercise such option by payment of a prepayment price equal to the sum of (a) the aggregate principal components of the Installment Payments relating to the 2025 Bonds to be prepaid, (b) the interest component of the Installment Payment relating to the 2025 Bonds required to be paid on or accrued to such date, and (c) the premium (if any) then required to be paid upon the corresponding redemption of the 2025 Bonds under Section 4.01(a) of the Indenture. The Trustee shall deposit the prepayment price in the Redemption Fund to be applied to the redemption of 2025 Bonds under Section 4.01(a) of the Indenture. If the District prepays the Installment Payments in part but not in whole, the principal components will be prepaid among such maturities and in such integral multiples of $5,000 as the District designates in written notice to the Trustee.

SECTION 7.3. Mandatory Prepayment From Proceeds of Insurance, Sale or Condemnation. The District shall prepay the Installment Payments on any date, in whole, or in part among maturities on a pro rata basis in any integral multiple of $5,000, from and to the extent of any proceeds of insurance, sale or condemnation awards with respect to the facilities of Zone 6 theretofore paid to the Trustee for such purpose under Sections 5.3 or 5.4. The District and the Authority hereby agree that such proceeds, to the extent remaining after payment of any delinquent Installment Payments, will be deposited in the Redemption Fund and credited towards the District's obligations under this Section 7.3.

SECTION 7.4. Credit for Amounts on Deposit. If the District prepays the Installment Payments in full under this Article VII, such that the Indenture is discharged by its terms as a result of the prepayment, and upon payment in full of all Additional Payments and other amounts then due and payable hereunder, all available amounts then on deposit in the funds and accounts established under the Indenture shall be credited towards the amounts then required to be so prepaid.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1. Further Assurances. The District agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Trustee to carry out the intention or to facilitate the performance of this Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

SECTION 8.2. Notices. Any notice, request, complaint, demand or other communication under this Agreement must be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice is effective either (a) upon transmission by fax or other form of telecommunication, (b) upon actual receipt after deposit in the United States of America mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the District and the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District or the Authority:	San Benito County Water District 30 Mansfield Road Hollister, CA 95023 Attention: Assistant General Manager
If to the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust

SECTION 8.3. Governing Law. This Agreement will be construed in accordance with and governed by the laws of the State of California.

SECTION 8.4. Binding Effect. This Agreement inures to the benefit of and is binding upon the Authority and the District and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 8.5. Severability of Invalid Provisions. If any one or more of the provisions contained in this Agreement are for any reason held to be invalid, illegal or unenforceable in any respect, then such provision or provisions will be deemed severable from the remaining provisions contained in this Agreement and such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or

illegal or unenforceable provision had never been contained herein. The Authority and the District each hereby declares that it would have entered into this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

SECTION 8.6. Article and Section Headings and References. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, are solely for convenience of reference and do not affect the meaning, construction or effect of this Agreement. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof; and words of the masculine gender mean and include words of the feminine and neuter genders.

SECTION 8.7. Payment on Non-Business Days. Whenever any payment is required to be made hereunder on a day that is not a Business Day, such payment shall be made on the immediately preceding Business Day.

SECTION 8.8. Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original and all of which together constitute but one and the same instrument.

SECTION 8.9. Waiver of Personal Liability. No member of the District Board, officer, agent or employee of the District has any individual or personal liability for the payment of Installment Payments or Additional Payments or be subject to any personal liability or accountability by reason of this Agreement; but nothing herein contained relieves any such member of the District Board, officer, agent or employee from the performance of any official duty provided by law or by this Agreement.

SECTION 8.10. Trustee as Third Party Beneficiary. The Trustee is hereby made a third party beneficiary hereof and is entitled to the benefits of this Agreement with the same force and effect as if the Trustee was a party hereto.

IN WITNESS WHEREOF, the Authority and the District have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY, *as Seller*

By: _____
Dana Jacobson
Executive Director

SAN BENITO COUNTY WATER DISTRICT, *as Purchaser*

By: _____
Dana Jacobson
General Manager

APPENDIX A

SCHEDULE OF INSTALLMENT PAYMENTS

Interest Payment Date[1]	Principal Component	Interest Component	Total Payment
10/1/25			
4/1/26			
10/1/26			
4/1/27			
10/1/27			
4/1/28			
10/1/28			
4/1/29			
10/1/29			
4/1/30			
10/1/30			
4/1/31			
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10/1/40			
4/1/41			
10/1/41			
4/1/42			
10/1/42			
4/1/43			
10/1/43			
4/1/44			
10/1/44			
4/1/45			
10/1/45			
TOTALS			

(1) Installment Payment Dates are the fifth (5th) Business Day immediately preceding each Interest Payment Date shown in the table.

APPENDIX B

DESCRIPTION OF 2025 WATER PROJECT

The 2025 Water Project will consist of the following improvements, and any other improvements for Zone 6 approved by the District Board:

The Accelerated Drought Response Project (ADRoP), which addresses the water supply deficit in the San Benito Urban Area (SBUA). In dry years, the SBUA relies mainly on groundwater and costly spot market water purchases to meet Municipal and Industrial (M&I) demands. ADRoP is designed to capture excess surface water in wet years and store it in the aquifer for later use during drought years. It will improve water quality, ensure sustainability, and improve the resilience of the groundwater basin. The ADRoP includes the construction of five Aquifer Storage and Recovery (ASR) wells, the expansion of the West Hills Water Treatment Plant (WHWTP), and the installation of pipelines for water transmission. It will have the capacity to inject, store, and recover up to 2,700 AFY of water.

INDENTURE OF TRUST

Dated as of May 1, 2025

between the

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

Authorizing the Issuance of

$_____
San Benito County Water District Financing Authority
2025 Water Revenue Bonds

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INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture"), dated as of May 1, 2025, is between the SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in San Francisco, California, being qualified to accept and administer the trusts hereby created (the "Trustee").

BACKGROUND:

1. The San Benito County Water District (the "District") owns and operates a system for the supply, treatment and distribution of water within its service area comprised of zones of the District (as further defined herein, the "Water System"), and the District desires to finance various improvements to Zone 6 of the District ("Zone 6") as described in Appendix B to the hereinafter defined Installment Sale Agreement (the "2025 Water Project").

2. The Authority has been organized for the purpose of assisting the District in its public purposes, and to that end the Authority is authorized to assist the District in financing the costs of acquisition, construction and installation of the 2025 Water Project.

3. The Authority, at this time, is entering into the Installment Sale Agreement dated as of May 1, 2025 (the Installment Sale Agreement") with the District in order to finance the 2025 Water Project.

4. For the purpose of obtaining funds to finance the 2025 Water Project, the Authority has authorized the issuance of its San Benito County Water District Financing Authority 2025 Water Revenue Bonds (the "2025 Bonds"), in the aggregate principal amount of $_____ under this Indenture and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law").

5. The debt service on the 2025 Bonds will be payable from Installment Payments made under the Installment Sale Agreement.

6. Repayment of the Installment Payments by the District shall be secured by a pledge of the Net Revenues of Zone 6, on a parity with the pledge in favor of the holders of Parity Obligations (as defined herein).

7. In order to provide for the authentication and delivery of the Bonds (including the 2025 Bonds), to establish and declare the terms and conditions upon which the Bonds (including the 2025 Bonds) are to be issued and to secure the payment of the principal thereof, premium (if any) and interest thereon, the Authority has authorized the execution and delivery of this Indenture.

8. The Authority has found and determines, and hereby affirms, that all acts and proceedings required by law necessary to make the Bonds (including the 2025 Bonds), when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid,

binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

AGREEMENT:

In order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Outstanding Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the Authority and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

SECTION 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms set forth in this Indenture shall have the meanings assigned to them in this Section 1.01.

"Accreted Value" means, with respect to any capital appreciation obligation, the principal amount thereof plus the interest accrued thereon, compounded at the approximate interest rate thereon on each date specified therein. The Accreted Value of any capital appreciation obligation at any date shall be the amounts set forth in the accreted value table for the capital appreciation obligation as of such date, if such date is a compounding date, and if not, as of the immediately preceding compounding date.

"Additional Bonds" means all bonds ranking on a parity with the 2025 Bonds originally issued hereunder, issued in accordance with Section 3.07.

"Additional Payments" means the amounts payable by the District under Section 4.7 of the Installment Sale Agreement.

"Agreement" shall mean that certain Joint Exercise of Powers Agreement, dated as of November 1, 2024, by and between the District and the California Statewide Communities Development Authority, creating the Authority, together with any amendments thereof and supplements thereto.

"Authority" means the San Benito County Water District Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California and the Agreement.

"Authorized Investments" means any of the following, but only to the extent that the same are acquired at Fair Market Value, which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

(a) Federal Securities;

(b) (i) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farm Credit System Financial Assistance Corporation, Rural Economic Community Development Administration (formerly Farmers Home Administration), General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, Federal Housing Administration and Federal Financing Bank. and (ii) direct obligations for any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by Fannie Mae or Federal Home Loan Mortgage Corporation (FHLMC); obligations of the Resolution Funding Corporation (REFCORP); senior debt obligations of the Federal Home Loan Bank System; and senior debt obligations of other Government Sponsored Agencies;

(c) U.S. dollar denominated deposit accounts federal funds and banker's acceptances with domestic commercial banks, which may include the Trustee, its parent holding company, if any, and their affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P or are collateralized by Federal Securities and maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank;

(d) commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's or "A-1+" by S&P, and which matures not more than 270 calendar days after the date of purchase;

(e) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm, which funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services;

(f) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund, in the highest rating category of Moody's and S&P or any successors thereto; or (ii)(A) subject to the approval of S&P, which are fully secured as to principal and interest and prepayment premium, if any, by an escrow consisting only of Federal Securities, which escrow may be applied only to the payment of such principal of and interest and prepayment premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified prepayment date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and prepayment premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the prepayment date or dates specified in the irrevocable instructions referred to above, as appropriate;

(g) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by S&P, or (b) fully secured as to the payment of principal and interest by Authorized Investments described in clauses (a) or (b);

(h) obligations issued by any corporation organized and operating within the United States of America having assets in excess of $500,000,000, which obligations are rated A or better by S&P;

(i) bonds or notes issued by any state or municipality which are rated A or better by S&P;

(j) any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment, by the terms of which all amounts invested thereunder are required to be withdrawn and paid to the Trustee in the event either of such ratings at any time falls below A;

(k) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, provided the Trustee has access to, and control over withdrawals from and deposits to, such trust; and

(l) the Local Agency Investment Fund of the State of California, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"Authorized Official" means: (a) with respect to the Authority, its Executive Director, Treasurer or any other person designated as an Authorized Official of the Authority by a Written Certificate of the Authority signed by its Executive Director or Treasurer and filed with the District and the Trustee; and (b) with respect to the District, its General Manager, Assistant General Manager, or any other person designated as an Authorized Official of the District by a Written Certificate of the District signed by its General Manager or Assistant General Manager and filed with the Authority and the Trustee.

"Balloon Indebtedness" means, with respect to any Parity Obligations twenty-five percent (25%) or more of the principal or other similar amount of which matures or becomes due on the same date or within a 12-month period (with mandatory sinking fund payments deemed to be payments of matured principal), that portion of the principal or other similar amount of such Parity Obligations which matures or becomes due on such date or within such 12-month period.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

"Bond Fund" means the fund by that name established and held by the Trustee under Section 5.01.

"Bond Law" means the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code.

"Bond Registration Books" means the records maintained by the Trustee under Section 2.06 for the registration and transfer of ownership of the Bonds.

"Bond Year" means the twelve-month period beginning on October 2 in each year and ending on October 1 in the following year except that (i) the first Bond Year with respect to the 2025 Bonds shall begin on the Closing Date, and (ii) the last Bond Year with respect to the 2025 Bonds may end on a redemption date prior to maturity of the 2025 Bonds or the final maturity date of the 2025 Bonds.

"Bonds" means the Outstanding 2025 Bonds and any Outstanding Additional Bonds.

"Business Day" means any day other than a Saturday, Sunday or a day on which the Trustee is authorized by law to remain closed.

"Closing Date" means, with respect to the 2025 Bonds, the date of delivery of the Bonds to the Original Purchaser of the 2025 Bonds.

"Continuing Disclosure Certificate" means, with respect to each series of Bonds, that certain Continuing Disclosure Certificate executed by the District and dated the date of original execution and delivery of such Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all expenses incurred in connection with the authorization, issuance, sale and delivery of any Bonds, including but not limited to compensation, fees and expenses of the District, Authority and the Trustee and their respective counsel, compensation to any financial consultants and underwriters, legal fees and expenses, municipal bond insurance or surety bond premiums, filing and recording costs, rating agency fees, costs of preparation and reproduction of documents and costs of printing.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee under Section 3.03.

"Debt Service" means, for any period, as and to the extent the Net Revenues of Zone 6 are payable with respect thereto, the sum of (1) the interest payable during such period on the Parity Obligations, (2) the principal or mandatory sinking fund payments to be paid with respect to the Parity Obligations during such period, and (3) any other scheduled payments coming due on the Parity Obligations in such period and not otherwise included in clauses (1) and (2) of this definition, all of which are to be computed on the assumption that no portion of the Parity Obligations shall cease to be outstanding during such period except by reason of the application of scheduled payments; provided that, for purposes of such computation:

(a) unless a different subsection of this definition applies for purposes of determining maturities or amortization, in determining the amount due in any period, payment shall be assumed to be made in accordance with any amortization schedule established for the Parity Obligations, including any mandatory sinking fund payments or any scheduled redemption or payment of Parity Obligations on the basis of Accreted Value, and for such purpose, the redemption payment or payment of Accreted Value shall be deemed a principal payment and interest that is compounded and paid as Accreted Value shall be deemed due on the scheduled

redemption or payment date and any contingencies that may result in a request for earlier payment shall be disregarded;

(b) Balloon Indebtedness may, at the option of the District, be treated as if it were to be amortized with substantially level debt service over a term of up to 25 years (which period shall be designated by the District), from the date of calculation, and the interest rate used for such computation shall be assumed by the District to be equal to (i) the interest rate in effect for such Balloon Indebtedness on the date of calculation, if the interest rate determination method in effect for such Balloon Indebtedness on the date of calculation provides for interest rates that are fixed for at least 12 months from the date such interest rates are determined or (ii) if the interest rate determination method in effect for such Balloon Indebtedness on the date of calculation provides for interest rates that are not fixed for at least 12 months from the date such interest rates are determined, the rate of interest used to calculate Debt Service shall be determined as described in clause (c);

(c) if any Parity Obligations bear, or if any Parity Obligations proposed to be issued, incurred or created will bear, interest at a variable interest rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of (i) the then current variable interest rate borne by such Parity Obligations plus 1%; and (ii) the highest variable rate borne over the preceding 24 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

(d) if any Parity Obligations feature an option, on the part of the owners or a requirement under the terms of such Parity Obligations, to tender all or a portion of such Parity Obligations to the District, or other fiduciary or agent, and to purchase such Parity Obligations or portion thereof if properly presented, then for purposes of determining the amounts due in any period with respect to such Parity Obligations, the options or obligations of the owners of such Parity Obligations to tender the same for purchase or payment shall be ignored;

(e) payments on the Parity Obligations shall be excluded to the extent such payments are to be paid from amounts on deposit with a trustee or other fiduciary in escrow specifically therefor, and interest payments shall be excluded to the extent that such interest payments are (1) to be paid from the proceeds of the Parity Obligations, including any investment earnings thereon, held by a trustee or other fiduciary as capitalized interest specifically to pay such interest or (2) paid or expected to be paid from Subsidy Payments;

(f) with respect to Parity Obligations for which a reserve fund is in place, the calculation of Debt Service for such Parity Obligations for any period shall be reduced by the amount of investment earnings on amounts on deposit in such reserve fund used or expected to be used to pay Debt Service on such Parity Obligations during such period, as estimated by the District; and

(g) with respect to Parity Obligations for which a reserve fund is in place, the amount on deposit in such reserve fund on any date of calculation of Debt Service shall be deducted from the amount due on the final maturity or due date of such Parity Obligations if such amount on deposit in such reserve fund would be released at such maturity or due date and, to the extent the amount on deposit in such reserve fund is in excess of the amount due on the final maturity or due date of such Parity Obligations, such excess shall be applied to the full amount due on

each preceding payment date for such Parity Obligations, in inverse order, until such amount on deposit in such reserve fund is exhausted.

"Defeasance Obligations" means the Federal Securities listed in clause (a) of the definition thereof.

"Depository" means (a) initially, DTC, and (b) any other Securities Depositories acting as Depository under Section 2.05.

"Depository System Participant" means any participant in the Depository's book-entry system.

"District" means the San Benito County Water District, a special district organized and existing under and by virtue of the laws of the State of California.

"District Board" means the Board of Directors of the District.

"DTC" means The Depository Trust Company, and its successors and assigns.

"Event of Default" means any of the events specified in Section 7.01.

"Excess Investment Earnings" means an amount required to be rebated to the United States of America under Section 148(f) of the Tax Code due to investment of gross proceeds of the Bonds at a yield in excess of the yield on the Bonds.

"Federal Securities" means, with respect to the Bonds: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; or (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America; specifically:

U.S. Treasury Obligations,
all direct or fully guaranteed obligations,
Farmers Home Administration,
General Services Administration,
Guaranteed Title IX financing,
Government National Mortgage Association (GNMA), and
State and Local Government Series.

"Fiscal Year" means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

"Generally Accepted Accounting Principles" means the generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

"Gross Revenues" means all gross income, property tax revenue, and other monies and revenue received or receivable by the District from the ownership and operation of Zone 6, calculated in accordance with Generally Accepted Accounting Principles, including, without limiting the generality of the foregoing, (1) all taxes, rates, rent, fees, business interruption insurance proceeds, connection fees and charges, insurance proceeds and condemnation awards received by the District and all other income and revenue howsoever derived by the District from Zone 6, (2) the earnings on and income derived from the investment of amounts described in clause (1) above and from District reserves held for Zone 6, including the Rate Stabilization Fund, and (3) the proceeds derived by the District directly or indirectly from the sale, lease or other disposition of a part of Zone 6; *provided, however*, that (i) any specific charges levied for the express purpose of reimbursing others for all or a portion of the cost of the acquisition or construction of specific Zone 6 facilities, (ii) advances or contributions in aid of construction, (iii) grants that are designated by the grantor for a specific Zone 6 purpose (and are therefore not available for general operational purposes), (iv) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and (v) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the District for the purpose of paying special assessment bonds or special tax obligations of the District relating to Zone 6, are not Gross Revenues and are not subject to the lien hereof. Notwithstanding the foregoing, there shall be added to Gross Revenues any amounts transferred out of the Rate Stabilization Fund and into the Revenue Fund, as contemplated by Section 5.12 of the Installment Sale Agreement.

"Indenture" means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture under the provisions hereof.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants appointed and paid by the District, and who, or each of whom-

(a) is in fact independent and not under domination of the District;

(b) does not have any substantial identity of interest, direct or indirect, with the District; and

(c) is not and no member of which is connected with the District as an officer or employee of the District, but who may be regularly retained to make annual or other audits of the books of or reports to the District.

"Independent Consultant" means any financial or engineering consultant (including without limitation any Independent Certified Public Accountant) with an established reputation in the field of municipal finance or firm of such consultants appointed and paid by the District, and who, or each of whom-

(a) is in fact independent and not under domination of the District;

(b) does not have any substantial identity of interest, direct or indirect, with the District; and

(c) is not and no member of which is connected with the District as an officer or employee of the District, but who may be regularly retained to make annual or other audits of the books of or reports to the District.

"Information Services" means in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org), or such service or services as the Authority may designate in a certificate delivered to the Trustee.

"Insolvency Proceeding" means any proceeding by or against the Authority of the District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

"Installment Payment Date" means, with respect to any Interest Payment Date, the 5th Business Day immediately preceding such Interest Payment Date.

"Installment Payments" means all payments required to be paid by the District on any date under Section 4.4 of the Installment Sale Agreement, including any amounts payable upon delinquent installments and including any prepayment thereof under Section 7.2 or 7.3 of the Installment Sale Agreement, but does not include Additional Payments.

"Installment Sale Agreement" means the Installment Sale Agreement dated as of May 1, 2025, between the District and the Authority, together with any duly authorized and executed amendments thereto.

["Insurance Policy" means the Municipal Bond Insurance Policy No. _____ issued by the Insurer that guarantees the scheduled payment of principal of and interest on the Bonds when due.]

["Insurer" means _____, its successors and assigns, as issuer of the Insurance Policy.]

"Interest Account" means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

"Interest Payment Dates" means (a) with respect to the 2025 Bonds, each April 1 and October 1, commencing October 1, 2025, so long as any 2025 Bonds remain unpaid, and (b) with respect to any Additional Bonds, the dates specified in the applicable Supplemental Indenture.

"Maintenance and Operation Costs" means the reasonable and necessary costs and expenses paid or incurred by the District, payable from Gross Revenues, for maintaining and operating Zone 6, determined in accordance with Generally Accepted Accounting Principles, including but not limited to: (i) all costs of procuring and delivering water, (ii) all utility and standby costs of Zone 6, (iii) all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve Zone 6 in good repair and working order, (iv) all administrative costs of the District that are charged directly or apportioned to the operation of Zone 6, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate Zone 6 and insurance premiums, and (v) all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms hereof; but excluding in all cases, the following: (A) debt service payable on obligations (including bonds, notes or other evidences of indebtedness, installment purchase payments under contract, and lease payments under any financing or capital lease, as determined to be such in accordance with Generally Accepted Accounting Principles) incurred by the District with respect to Zone 6, (B) depreciation, replacement and obsolescence charges or reserves therefor, (C) amortization of intangibles or

other bookkeeping entries of a similar nature, and (D) costs of capital projects which under Generally Accepted Accounting Principles are chargeable to a separate capital account or to a reserve for depreciation.

"Maximum Annual Debt Service" means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Fiscal Year.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors or assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority or the District.

"Net Revenues" means for any period, all of the Gross Revenues during such period less all of the Maintenance and Operation Costs during such period.

"Nominee" means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated under Section 2.04(a).

"Original Purchaser" means, in the case of the 2025 Bonds, Stifel, Nicolaus & Company, Incorporated.

"Outstanding," when used as of any particular time with reference to Bonds, means, subject to the last paragraph of Section 10.01 of the Indenture, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.09; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee under this Indenture.

Commented [RS1]: Commas and periods are always inside of quotes.

"Overdue Rate" means the highest rate on any series of the Bonds.

"Owner," whenever used herein with respect to a Bond, means the person in whose name the ownership of such Bond is registered on the Bond Registration Books.

Commented [RS2]: Commas and periods are always inside of quotes.

"Parity Obligations" means (a) the 2015 Installment Sale Agreement, (b) the 2021 Sterling Financing Agreement, (c) the 2021 Zions Financing Agreement, and (d) any other bonds, notes, leases, installment sale agreements or other obligations of the District payable from and secured by a pledge of and lien upon some or all of the Net Revenues on a parity with the Installment Payments.

"Parity Obligations Documents" means, collectively, the indenture of trust, trust agreement, installment sale agreement, loan agreement or other document authorizing the issuance of any Parity Obligations or any securities which evidence Parity Obligations.

"Principal Account" means the account by that name established and held by the Trustee in the Bond Fund under Section 5.02.

"Principal Corporate Trust Office" means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the District. Except that with

respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the corporate trust office of U.S. Bank Trust Company, National Association, in St. Paul, Minnesota or such other office or agency of the Trustee at which at any particular time, its corporate trust agency or operations shall be conducted.

"Project Costs" means, with respect to the 2025 Water Project, all costs of the acquisition, construction and installation thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition, construction and installation of the 2025 Water Project;

(b) obligations incurred for labor and materials in connection with the acquisition, construction and installation of the 2025 Water Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition, construction and installation of the 2025 Water Project;

(d) all costs of engineering and architectural services, including the actual out-of-pocket costs for test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition, construction and installation of the 2025 Water Project;

(e) any sums required to reimburse the District for advances made for any of the above items or for any other costs incurred and for work done which are properly chargeable to the acquisition, construction and installation of the 2025 Water Project;

(f) all financing costs incurred in connection with the acquisition, construction and installation of the 2025 Water Project; and

(g) the interest components of the Installment Payments allocable to the 2025 Water Project, which come due during the period of acquisition, construction and installation of the 2025 Water Project.

"Project Fund" means the fund by that name established and held by the Trustee under Section 3.04.

"Rate Stabilization Fund" means the fund by that name established and held by the District under Section 5.12 of the Installment Sale Agreement.

"Record Date" means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" means the fund by that name established and held by the Trustee under Section 5.05.

"Revenues" means: (a) all amounts received by the Authority or the Trustee pursuant or with respect to the Installment Sale Agreement, including, without limiting the generality of the foregoing, all of the Installment Payments (including both timely and delinquent payments, any late charges, and whether paid from any source, but excluding any Additional Payments), prepayments, insurance proceeds, and condemnation proceeds, and (b) all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Indenture.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority designates in written notice filed with the Trustee.

"Security Documents" shall mean this Indenture, the Installment Sale Agreement, all resolutions related thereto, the Bonds and/or any additional or supplemental document executed in connection with the 2025 Bonds.

"Serial Bonds" means all Bonds other than Term Bonds.

"S&P" means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

"Subsidy Payments" means payments with respect to Parity Obligations made by the United States Treasury to the District or a trustee or fiduciary pursuant to Section 54AA of the Tax Code, Section 6431 of the Tax Code, or Section 1400U-2 of the Tax Code or any successor to or extension or replacement of any of such provisions of the Tax Code, or any provisions of the Tax Code that create similar direct-pay subsidy programs.

"Supplemental Indenture" means any indenture hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending this Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Term" means, when used with respect to the Installment Sale Agreement, the time during which the Installment Sale Agreement is in effect, as provided in Section 4.2 thereof.

"Term Bonds" means the 2025 Bonds maturing October 1, 20__ and October 1, 20___, and any Additional Bonds identified as such in the applicable Supplemental Indenture.

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, or its successor or successors, as Trustee hereunder as provided in Article VIII.

"2015 Installment Sale Agreement" means the Installment Sale Agreement, dated December 1, 2015, between the District and the Municipal Finance Corporation, together with any

amendments thereof and supplements thereto, as and to the extent the Net Revenues of Zone 6 are payable with respect thereto.

"2021 Sterling Financing Agreement" means the 2021 Financing Agreement, dated April 1, 2021, between the District and Sterling National Bank, N.A., together with any amendments thereof and supplements thereto, as and to the extent the Net Revenues of Zone 6 are payable with respect thereto.

"2021 Zions Financing Agreement" means the 2021 Financing Agreement, dated February 1, 2021, between the District and Zions Bancorporation, together with any amendments thereof and supplements thereto, as and to the extent the Net Revenues of Zone 6 are payable with respect thereto.

"2025 Bonds" means the San Benito County Water District Financing Authority 2025 Water Revenue Bonds in the original principal amount of $_____.

"2025 Water Project" means the facilities, improvements and other property described more fully in Appendix B attached to the Installment Sale Agreement, as that Appendix may be amended from time to time in accordance with the Installment Sale Agreement.

"Water Fund" means the fund or funds established and held by the District into which Gross Revenues are deposited in accordance with Section 4.5 of the Installment Sale Agreement.

"Water System" means all zones comprising the entire system of the District for the treatment, production, storage, management and distribution of water within the service area of the District, including but not limited to all facilities, properties, lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, constructed or installed by the District and determined to be part of the Water System by the District.

"Written Certificate," "Written Request" and "Written Requisition" of the Authority or the District mean, respectively, a written certificate, request or requisition signed in the name of the Authority or the District by its Authorized Official. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"Zone 6" means collectively, the whole and each and every part of the Water System that comprises Zone 6, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to the Water System or any part thereof hereafter acquired or constructed for Zone 6; provided, that to the extent the District is not the sole owner of an asset or property or to the extent that an asset or property is used in part for Zone 6 purposes, only the District's ownership interest in such asset or property or only the part of the asset.

SECTION 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

SECTION 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE 2025 BONDS

SECTION 2.01. Authorization of 2025 Bonds. The Authority has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the 2025 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly empowered, under each and every requirement of law, to issue the 2025 Bonds in the manner and form provided in this Indenture.

The Authority hereby authorizes the issuance of the 2025 Bonds in the aggregate principal amount of $_____ under the Bond Law for the purposes of providing funds to enable the District to finance the 2025 Water Project. The Bonds are authorized and issued under, and are subject to the terms of, this Indenture and the Bond Law. The Bonds are designated the "San Benito County Water District Financing Authority 2025 Water Revenue Bonds."

SECTION 2.02. Terms of the 2025 Bonds.

(a) Payment Provisions. The 2025 Bonds shall be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof. The 2025 Bonds shall mature on October 1 in each of the years and in the amounts, and bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

Maturity (October 1)	Principal Amount	Interest Rate

Interest on the 2025 Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless:

(a) a 2025 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it will bear interest from such Interest Payment Date,

(b) a 2025 Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date, or

(c) interest on any 2025 Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest is payable on each Interest Payment Date to the persons in whose names the ownership of the 2025 Bonds is registered on the Bond Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any 2025 Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such 2025 Bond is registered on the Bond Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee will pay interest on the 2025 Bonds by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the 2025 Bonds at their respective addresses shown on the Bond Registration Books as of the close of business on the preceding Record Date. At the written request of the Owner of 2025 Bonds in an aggregate principal amount of at least $1,000,000, which written request is on file with the Trustee as of any Record Date, the Trustee will pay interest on such 2025 Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request will remain in effect until rescinded in writing by the Owner. The Trustee will pay principal of the 2025 Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

SECTION 2.03. Form and Execution of 2025 Bonds. The 2025 Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Chair, the Executive Director or the Treasurer of the Authority shall execute, and the Secretary of the Authority shall attest, each 2025 Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any 2025 Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any 2025 Bond may be signed and attested on behalf of the Authority by such persons as at the actual date of the execution of such 2025 Bond are the proper officers of the Authority, duly authorized to execute debt instruments on behalf of the Authority, although on the date of such 2025 Bond any such person was not an officer of the Authority.

Only those 2025 Bonds bearing a certificate of authentication in the form set forth in Appendix A, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

SECTION 2.04. Transfer and Exchange of Bonds.

(a) Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Bond Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section. Whenever any Bond or

Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

(b) Exchange. The Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds under this subsection (b). The Authority shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section, any Bonds selected by the Trustee for redemption under Article IV, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

SECTION 2.05. Book-Entry System.

(a) Original Delivery. The Bonds will be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Bond Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Bond Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the Authority and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the Authority and the Trustee has no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the Authority elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Bond Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the Authority to make payments of principal, interest and premium, if any, under this Indenture. Upon delivery by the Depository to the Authority of written notice to the effect that the Depository has determined to

substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the Authority may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Authority determines to terminate the Depository as such, then the Authority shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Authority and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Authority fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the Authority determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Authority may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will authenticate, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the Authority shall cooperate with the Depository in taking appropriate action (y) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (z) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the Authority's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

SECTION 2.06. Bond Registration Books. The Trustee will keep or cause to be kept, at the Principal Corporate Trust Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall upon reasonable notice as agreed to by the Trustee, be open to inspection during regular business hours by the Authority; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may

prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

SECTION 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond is mutilated, the Authority, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to, or upon the order of, the Authority. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory and if indemnity satisfactory to the Trustee is given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

ARTICLE III

ISSUANCE OF 2025 BONDS; APPLICATION OF PROCEEDS

SECTION 3.01. Issuance of the 2025 Bonds. At any time after the execution of this Indenture, the Authority may execute and the Trustee shall authenticate and, upon the Written Request of the Authority, deliver the 2025 Bonds to the Original Purchaser.

SECTION 3.02. Application of Proceeds of Sale of the 2025 Bonds. Upon the receipt of payment for the 2025 Bonds on the Closing Date, the Trustee shall receive the net proceeds of sale thereof, being $_____, comprised of the purchase price of $_____, being the principal amount of the Bonds, plus a net original issue premium of $_____, less an Underwriter's discount of $_____[, less an amount transferred directly to the insurer for payment of the bond insurance premium ($_____)], which the Trustee shall apply as follows:

(a) The Trustee shall deposit the amount of $_____ in the Costs of Issuance Fund.

(b) The Trustee shall deposit the amount of $_____, constituting the remainder of such proceeds, in the Project Fund.

The Trustee may establish and maintain a temporary account or fund to facilitate and record such deposits.

SECTION 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the 2025 Bonds under Section 3.02(a). The Trustee shall disburse amounts in the Costs of Issuance Fund from time to time to pay the Costs of Issuance upon submission of a Written Requisition of the Authority, substantially in the form attached hereto as Appendix C, stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. The Trustee may conclusively rely on such Written Requisitions and shall be fully protected in relying thereon. On September 15, 2025, or upon the earlier Written Request of the Authority, the Trustee shall transfer all amounts remaining in the Costs of Issuance Fund to the Project Fund, and shall thereupon close the Costs of Issuance Fund.

SECTION 3.04. Project Fund. The Trustee will establish and maintain a separate fund to be known as the "Project Fund" into which the Trustee shall deposit a portion of the proceeds of sale of the 2025 Bonds under Section 3.02(b). Except as otherwise provided herein, moneys in the Project Fund will be used solely for the payment of the Project Costs. The Trustee will disburse moneys in the Project Fund from time to time to pay Project Costs (or to reimburse the District for payment of Project Costs) in accordance with Written Requisitions, substantially in the form attached hereto as Appendix B, filed by the District with the Trustee. Each such Written Requisition must state, with respect to each payment to be made thereby, (i) the name and address of the person to whom payment is to be made, (ii) the amount and purpose of the payment and (iii) that each payment constitutes a Project Cost not previously paid from proceeds of the Bonds. Each Written Requisition must be accompanied by an invoice or statement evidencing each payment to be made thereunder. The Trustee has no responsibility for payments

made in accordance with this Section. The District shall maintain accurate records showing all disbursements from the Project Fund.

Upon the receipt by the Trustee of a Written Certificate of the District under Section 3.6 of the Installment Sale Agreement, stating that the 2025 Water Project has been completed, the Trustee shall withdraw from the Project Fund and deposit in the Interest Account all amounts remaining on deposit in the Project Fund, other than amounts estimated by the District (as identified in such Written Certificate) to be required to pay future Project Costs. Upon the filing with the Trustee of a Written Certificate of the District stating that no further amounts are intended to be requisitioned from the Project Fund, the Trustee shall thereupon close the Project Fund and transfer all remaining amounts therein to the Interest Account for payment of interest on the 2025 Bonds.

SECTION 3.05. [Reserved].

SECTION 3.06. Validity of 2025 Bonds. The recital contained in the 2025 Bonds that the same are issued under the Constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

SECTION 3.07. Additional Bonds.

(A) In addition to the 2025 Bonds authorized to be issued under this Indenture, the Authority, may, by Supplemental Indenture, issue one or more series of Additional Bonds secured by Revenues on a parity with the 2025 Bonds, and may issue and deliver such Additional Bonds in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of this Section, including the following specific conditions which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The parties to this Indenture shall have executed a Supplemental Indenture which sets forth the terms and provisions of such Additional Bonds, including the establishment of such funds and accounts, which may be separate and apart from the funds and accounts established hereunder for the 2025 Bonds, as shall be necessary or appropriate;

(b) The Installment Sale Agreement shall have been supplemented or amended, if necessary, to (i) increase or adjust the Installment Payments due and payable on each Installment Payment Date to an amount sufficient to pay the principal, premium (if any) and interest payable with respect to all Outstanding Bonds, including all Additional Bonds as and when, if any, the same mature or become due and payable (except to the extent such principal, premium and interest may be payable out of moneys then on deposit with the Trustee in accordance with this Indenture), and (ii) make such other revisions to the Installment Sale Agreement as are necessitated by the issuance of such Additional Bonds (provided, however, that such other revisions shall not prejudice the rights of the Owners of Outstanding Bonds as granted them under the terms of this Indenture);

(c) The Trustee shall have received a Written Certificate of the Authority that the requirements of Section 5.8 of the Installment Sale Agreement have been satisfied.

(B) Upon delivery to the Trustee of the foregoing instruments, the Trustee shall authenticate Additional Bonds representing the aggregate principal amount specified in such Supplemental Indenture, and such Additional Bonds shall be equally and ratably secured with all Bonds, including any Additional Bonds, theretofore prepared, executed and delivered, all without preference, priority or distinction (other than with respect to maturity, payment, prepayment or sinking fund payment (if any)) of any one Bond, including Additional Bonds, over any other; provided, however, that no provision of this Indenture shall require the District to consent to or otherwise permit the preparation, execution and delivery of Additional Bonds, it being understood and agreed that any such consent or other action of the District to permit the preparation, execution and delivery of Additional Bonds, or lack thereof, shall be in the sole discretion of the District.

(C) Whenever the Authority shall have determined to issue Additional Bonds pursuant to this Section 3.07, the Authority shall adopt a Supplemental Indenture determining that the issuance of such Additional Bonds is necessary for the purposes specified herein, specifying the principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds and the funds to be established for the security and payment thereof. Before such Additional Bonds shall be issued and delivered, the Authority shall file with the Trustee a Written Certificate of the Authority certifying that the requirements set forth in Section 3.07 have been either met or provided for, together with a copy of the amendment to the Installment Sale Agreement required hereby. Additional Bonds may or may not be secured by a debt service reserve fund.

(D) Nothing contained in this Section 3.07 shall restrict the ability of the District to issue Parity Obligations pursuant to the Installment Sale Agreement that do not secure Additional Bonds issued pursuant to this Section 3.07 or other Parity Obligations in accordance with the terms and conditions thereof.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01. Terms of Redemption.

(a) Optional Redemption from any Source of Available Funds. The 2025 Bonds maturing on or before October 1, 20___, are not subject to optional redemption prior to their respective stated maturity dates. The 2025 Bonds maturing on or after October 1, 20___, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after October 1, 20___, from any available source of funds, at a redemption price equal to the principal amount of the 2025 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Authority must give the Trustee written notice of its intention to redeem Bonds under this subsection (a), and the manner of selecting such Bonds for redemption from among the maturities thereof, at least 45 days prior to the redemption date, to allow sufficient time to enable the Trustee to give notice of such redemption in accordance with Section 4.03.

(b) Redemption From Proceeds of Insurance, Sale and Condemnation. The Bonds, including the 2025 Bonds, are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the District under Section 7.3 of the Installment Sale Agreement. The Bonds, including the 2025 Bonds, are subject to redemption under this subsection at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

(c) Mandatory Sinking Fund Redemption Relating to the 2025 Bonds. The Term Bonds shall also be subject to redemption, by lot, on October 1 in each of the years as set forth in the following tables, from deposits made for such purpose pursuant to Section 5.02(b), at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased pursuant to the succeeding paragraph of this subsection (c), in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to subsections (a) or (b) above, the total amount of all future payments pursuant to this subsection (c) with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

2025 Term Bonds Maturing October 1, _____

Sinking Fund Redemption Date (October 1)	Principal Amount To Be Redeemed

2025 Term Bonds Maturing October 1, _____

Sinking Fund Redemption Date (October 1)	Principal Amount To Be Redeemed

In lieu of redemption of the Term Bonds pursuant to the preceding paragraph, amounts on deposit in the Bond Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account pursuant to Section 5.02 during the current Bond Year) may also be used and withdrawn by the Authority, upon the Written Request of the Authority delivered to the Trustee, at any time for the purchase of such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Authority may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Authority in any twelve-month period ending on October 1 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed pursuant to this subsection (c) on the next succeeding October 1.

SECTION 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a single maturity of the same issue, the Trustee shall select the Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee shall treat each Bond as consisting of separate $5,000 portions and each such portion shall be subject to redemption as if such portion were a separate Bond.

SECTION 4.03. Notice of Redemption. The Trustee shall mail notice of redemption of the Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Registration Books and to one or more Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the Bonds (or all Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all Bonds within a maturity are called for redemption) Bond numbers of the Bonds to be redeemed and the maturity or maturities of the Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds the redemption price thereof, and that from and after such redemption date

interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Each notice relating to a redemption pursuant to Section 4.01(a) or Section 4.01(b) shall further state that such redemption may be rescinded by the Authority on or prior to the date set for redemption. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

The Authority shall have the right to rescind any redemption pursuant to Section 4.01(a) or Section 4.01(b) by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

SECTION 4.04. Execution of New Bonds Upon Partial Redemption of Bonds. Upon surrender of any Bonds redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered.

SECTION 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, including any applicable premium, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds redeemed under the provisions of this Article shall be canceled by the Trustee upon surrender thereof and destroyed in accordance with the retention policy of the Trustee then in effect.

ARTICLE V

REVENUES; FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

SECTION 5.01. Security for the Bonds; Bond Fund.

(a) Pledge of Revenues and Other Amounts. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Revenues and all amounts held in any fund or account established under this Indenture (other than the Project Fund and Cost of Issuance Fund) are hereby pledged to secure the payment of the principal of and interest and premium (if any) on the Bonds in accordance with their terms and the provisions of this Indenture. Said pledge constitutes a lien on and security interest in the Revenues and such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without the need for any physical delivery thereof or further act.

(b) Assignment to Trustee. The Authority hereby irrevocably transfers, assigns and sets over to the Trustee, without recourse to the Authority, all of its rights in the Installment Sale Agreement (excepting only the Authority's rights under Sections 4.7, 5.2 and 6.4 thereof), including but not limited to all of the Authority's rights to receive and collect all of the Installment Payments, and the Trustee hereby accepts such assignment. The Trustee is entitled to collect and receive all of the Installment Payments, and any Installment Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of Article VIII, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the District under the Installment Sale Agreement.

(c) Deposit of Revenues in Bond Fund. All Revenues shall be promptly deposited by the Trustee upon receipt thereof in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required hereunder or under the Installment Sale Agreement to be deposited in the Redemption Fund shall be promptly deposited in such fund. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the Bonds or provision therefore under Article X, and (ii) any applicable fees and expenses of the Trustee, shall be withdrawn by the Trustee and remitted to the District.

SECTION 5.02. Allocation of Revenues. On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

(a) *Deposit to Interest Account.* The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding.

(b) *Deposit to Principal Account.* The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on each October 1, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such October 1 pursuant to Section 4.01(c) or any analogous provision in a Supplemental Indenture.

(c) *Deposit to Reserve Fund(s).* The Trustee shall deposit into any reserve fund(s) established for Parity Obligations, amount(s) which are needed to replenish the amounts therein to the applicable reserve requirement therefor or pay amounts due to any insurer with respect to any reserve fund insurance policy deposited therein (if applicable).

SECTION 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

SECTION 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds on their respective maturity dates, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such October 1 pursuant to Section 4.01(c) or any analogous provision in a Supplemental Indenture.

SECTION 5.05. Application of Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received representing optional prepayments of the Installment Payments under Section 7.2 of the Installment Sale Agreement or mandatory prepayments of the Installment Payments under Section 7.3 of the Installment Sale Agreement, in accordance with a Written Request of the Authority. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of the Bonds to be redeemed under Sections 4.01(a) or (b); *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed under a Written Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds. All Bonds purchased under the provisions of this Section shall be canceled by the Trustee upon surrender thereof and destroyed in accordance with the retention policy of the Trustee then in effect. The Trustee shall be entitled to conclusively rely on any Written Request of the Authority received under this Section, and shall be fully protected in relying thereon.

SECTION 5.06. Investments. All moneys in any of the funds or accounts established with the Trustee under this Indenture shall be invested by the Trustee solely in Authorized Investments. Such investments shall be directed by the Authority under a Written Request of the Authority filed with the Trustee at least 2 Business Days in advance of the making of such investments provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the Authority specifying a specific money market fund and, if no such written direction from the Authority is so received, the Trustee shall hold such moneys uninvested. In the

absence of any such directions from the Authority, the Trustee shall invest any such moneys in Authorized Investments described in clause (e) of the definition thereof. Authorized Investments purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. To the extent Authorized Investments are registrable, such Authorized Investments must be registered in the name of the Trustee.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the Bond Fund, provided that interest earnings on amounts on deposit in the Project Fund shall be retained therein unless the Authority otherwise directs in writing. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder. The Trustee or any of its affiliates may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section.

The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or is dealing as a principal for its own account.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Authority periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon written request of the Authority to the Trustee.

The moneys on deposit in the funds and accounts established under this Indenture shall not be deemed "surplus" under Section 53601 of the Government Code.

SECTION 5.07. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the Authority covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued at the Fair Market Value thereof as such term is defined in subsection (d) below. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the Authority in any Written Request of the Authority.

(b) Except as provided in the preceding subsection (a), for the purpose of determining the amount in any fund or account established hereunder, the value of Authorized Investments credited to such fund shall be valued by the Trustee at least annually on or before October 1. The Trustee may sell or present for redemption, any Authorized Investment so purchased by the

Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Authorized Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from any such Authorized Investment.

(d) For purposes of this Section, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security -- State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

(e) To the extent of any valuations made by the Trustee hereunder, the Trustee may utilize and rely upon computerized securities pricing services that may be available to it, including those available through its regular accounting system.

SECTION 5.08. Provisions Relating to Insurance Policy.

So long as the Insurance Policy remains in effect, the Authority and the Trustee shall comply with all of the terms and provisions set forth in Exhibit D relating to the Insurer and the Insurance Policy. Such provisions are hereby incorporated into this Indenture by this reference, and shall control and supersede any conflicting or inconsistent provisions in this Indenture.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of and interest and premium (if any) on all the Bonds in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of the Revenues and other amounts pledged for such payment as provided in this Indenture.

SECTION 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which have not been so extended. Nothing in this Section limits the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance does not constitute an extension of maturity of the Bonds.

SECTION 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

SECTION 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized under law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other amounts purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

SECTION 6.05. Accounting Records. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of Bonds and all funds and accounts established under this Indenture. The Trustee shall make such books of record and account available for inspection by the Authority and the District during business hours, upon reasonable notice, and under reasonable circumstances.

SECTION 6.06. Limitation on Additional Obligations. The Authority covenants that no additional bonds, notes or other indebtedness, other than Additional Bonds, shall be issued or incurred which are payable out of the Revenues in whole or in part.

SECTION 6.07. Tax Covenants.

(a) Private Business Use Limitation. The Authority shall assure that the proceeds of the 2025 Bonds are not used in a manner which would cause the 2025 Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The Authority may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2025 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The Authority may not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2025 Bonds or of any other obligations which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the 2025 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code.

(d) Maintenance of Tax Exemption. The Authority shall take all actions necessary to assure the exclusion of interest on the 2025 Bonds from the gross income of the Owners of the 2025 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The Authority shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the 2025 Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The Authority shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from any source of legally available funds of the Authority. The Authority shall keep or cause to be kept, and retain or cause to be retained for a period of 6 years following the retirement of the 2025 Bonds, records of the determinations made under this subsection (e).

SECTION 6.08. Enforcement of Installment Sale Agreement. The Trustee shall promptly collect all amounts (to the extent any such amounts are available for collection) due from the District under the Installment Sale Agreement. Subject to the provisions of Article VIII, the Trustee shall enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of its rights thereunder as assignee of the Authority and for the enforcement of all of the obligations of the District under the Installment Sale Agreement.

SECTION 6.09. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

SECTION 6.10. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better

assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.01. Events of Default. The following events constitute Events of Default hereunder:

(a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Failure to pay any installment of interest on the Bonds when due.

(c) Failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the Authority by the Trustee *provided, however*, if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if the Authority institutes corrective action within such 60 day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

(d) The commencement by the Authority of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

(e) The occurrence and continuation of an event of default under and as defined in the Installment Sale Agreement.

SECTION 7.02. Acceleration; Other Remedies. If any Event of Default occurs, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, and shall, at the written direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding shall, in each case, upon receipt of indemnification satisfactory to Trustee against the costs, expenses and liabilities to be incurred in connection with such action, upon notice in writing to the Authority, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding.

The foregoing provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, the Authority shall pay to or shall deposit with the Trustee a sum sufficient to pay all principal of the Bonds maturing prior to such declaration and all matured installments of interest (if any) upon all the Bonds, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall

have been made therefor, then, and in every such case, the Trustee, on behalf of the Owners of all of the Bonds, shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon; provided, however, that no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair or exhaust any right or power consequent thereon.

In addition to declaring the principal of all of the Bonds, and the interest accrued thereon, to be immediately due and payable as set forth above, the Trustee shall have the right to pursue any other remedy provided by law or in equity or otherwise after an Event of Default has occurred.

SECTION 7.03. Application of Revenues and Other Funds After Default. If an Event of Default occurs and is continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee in the following order of priority:

(a) To the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its legal counsel including outside counsel and the allocated costs of internal attorneys) incurred in and about the performance of its powers and duties under this Indenture; and

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of this Indenture, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

SECTION 7.04. Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, this Indenture and applicable provisions of any law. All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for

the benefit and protection of all the Owners of such Bonds, subject to the provisions of this Indenture.

SECTION 7.05. Limitation on Bond Owners' Right to Sue. Notwithstanding any other provision hereof, no Owner of any Bonds has the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Installment Sale Agreement or any other applicable law with respect to such Bonds, unless (a) such Owner has given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee; and (e) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, this Indenture, the Installment Sale Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of this Indenture.

SECTION 7.06. Absolute Obligation of Authority. Nothing in Section 7.06 or in any other provision of this Indenture or in the Bonds contained affects or impairs the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest and premium (if any) on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon acceleration or call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.07. Termination of Proceedings. In case any proceedings taken by the Trustee or by any one or more Bond Owners on account of any Event of Default have been discontinued or abandoned for any reason or have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee, and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

SECTION 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative

and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.09. No Waiver of Default. No delay or omission of the Trustee or any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient by the Trustee or the Bond Owners.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Appointment of Trustee. U.S. Bank Trust Company, National Association is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this Article VIII so long as any Bonds are Outstanding.

SECTION 8.02. Acceptance of Trusts; Removal and Resignation of Trustee. The Trustee hereby accepts the express trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties or covenants shall be read into this Indenture against the Trustee.

(b) The Authority may remove the Trustee at any time, unless an Event of Default has occurred and is then continuing, and shall remove the Trustee (a) if at any time requested to do so by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (b) if at any time the Trustee ceases to be eligible in accordance with Section 8.02, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and the District, and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Bond Registration Books.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the Authority, upon its own direction or the direction of the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture, must signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and after payment by the Authority of all unpaid fees and expenses of the predecessor Trustee, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein. At the Written Request of the Authority or the request of the successor Trustee, such

predecessor Trustee shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall promptly mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Bond Registration Books. If the Authority fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee appointed under this Indenture shall be a corporation or association organized and doing business under the laws of any state or the United States of America or the District of Columbia, shall be authorized under such laws to exercise corporate trust powers, shall have (or, in the case of a corporation or association that is a member of a bank holding company system, the related bank holding company has) a combined capital and surplus of at least $50,000,000, and shall be subject to supervision or examination by a federal or state agency, so long as any Bonds are Outstanding. If such corporation or association publishes a report of condition at least annually under law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection (e), the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If the Trustee at any time ceases to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

SECTION 8.03. Merger or Consolidation. Any bank, federal savings association, or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank, federal savings association, or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, federal savings association, or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank, federal savings association, or trust company shall be eligible under subsection (e) of Section 8.02 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.04. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture, the Bonds or the Installment Sale Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations of Trustee herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence. The Trustee may become the Owner of Bonds with the same rights

it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee is not liable for any error of judgment made by a responsible officer, unless it is proved that the Trustee was grossly negligent in ascertaining the pertinent facts.

(c) The Trustee is not liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture or assigned to it hereunder.

(d) The Trustee is not liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(e) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder, or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder unless and until it shall have actual knowledge thereof, or a corporate trust officer shall have received written notice thereof at its Principal Corporate Trust Office from the District, the Authority or the Owners of at least 25% in aggregate principal amount of the Outstanding Bonds. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the District of any of the terms, conditions, covenants or agreements herein, under the Installment Sale Agreement or the Bonds or of any of the documents executed in connection with the Bonds, or as to the existence of a default or an Event of Default or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default. The Trustee is not responsible for the validity, effectiveness or priority of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee shall not be required to ascertain or inquire as to the performance or observance by the District or the Authority of the terms, conditions, covenants or agreements set forth in the Installment Sale Agreement, other than the covenants of the District to make Installment Payments to the Trustee when due and to file with the Trustee when due, such reports and certifications as the District is required to file with the Trustee thereunder.

(f) No provision of this Indenture requires the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, receivers or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, receiver or attorney appointed with due care by it hereunder.

(h) The Trustee has no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of the Bond Owners under this Indenture, unless the such Owners have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities (including but not limited to fees and expenses of its attorneys) which might be incurred by it in compliance with such request or direction. No permissive power, right

or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(i) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee is subject to the provisions of Section 8.02(a), this Section 8.04 and Section 8.05, and shall be applicable to the assignment of any rights to the Trustee hereunder.

(j) The Trustee is not accountable to anyone for the subsequent use or application of any moneys which are released or withdrawn in accordance with the provisions hereof.

(k) The Trustee makes no representation or warranty, expressed or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or the District of the 2025 Water Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Installment Sale Agreement or this Indenture for the existence, furnishing or use of the 2025 Water Project.

(l) The Trustee has no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(m) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources or energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(n) The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture of Trust, provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

(o) In no event shall the Trustee be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(p) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means. ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder). The District or the Authority, as the case may be, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the District or the Authority, as the case may be, whenever a person is to be added or deleted from the listing. If the District or the Authority, as the case may be, elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The District and the Authority, understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The District and the Authority, as the case may be, shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the District and the Authority, as the case may be, and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the District or the Authority, as the case may be,. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The District and the Authority agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the District or the Authority, as the case may be; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(q) All notices, approvals, consents, requests and any communications to the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the parties chooses to use electronic signatures to sign documents delivered to the Trustee, such parties agree to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

SECTION 8.05. Right to Rely on Documents. The Trustee shall be protected and shall incur no liability in acting or refraining from acting in reliance upon any notice, resolution, request,

consent, order, certificate, report, opinion, bonds, requisition, facsimile transmission, electronic mail or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties. The Trustee is under no duty to make any investigation or inquiry as to any statements contained or matter referred to in any paper or document but may accept and conclusively rely upon the same as conclusive evidence of the truth and accuracy of any such statement or matter and shall be fully protected in relying thereon. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Bond Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate, Written Request or Written Requisition of the Authority or the District, and such Written Certificate, Written Request or Written Requisition shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, Written Request or Written Requisition, and the Trustee shall be fully protected in relying thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

SECTION 8.06. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its respective possession and in accordance with its retention policy then in effect and shall, upon reasonable notice to Trustee, be subject to the inspection of the Authority, the District, and any Bond Owner, and their agents and representatives duly authorized in writing, during business hours and under reasonable conditions as agreed to by the Trustee.

SECTION 8.07. Compensation and Indemnification. The Authority shall pay to the Trustee from time to time, on demand, the compensation for all services rendered under this Indenture and also all reasonable expenses, advances (including any interest on advances), charges, legal (including outside counsel and the allocated costs of internal attorneys) and consulting fees and other disbursements, incurred in and about the performance of its powers and duties under this Indenture.

The Authority shall indemnify the Trustee, its officers, directors, employees and agents against any cost, loss, liability or expense whatsoever (including but not limited to fees and expenses of its attorneys) incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of this trust and this Indenture, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder or under the Installment Sale Agreement. As security for the performance of the obligations of the Authority under this Section, the Trustee shall have a lien prior to the lien of the Bonds upon all property and funds held or collected by the Trustee as such. The rights of the Trustee and the obligations of the Authority under this Section shall survive the resignation or removal of the Trustee or the discharge of the Bonds and this Indenture and the Installment Sale Agreement.

ARTICLE IX

MODIFICATION OR AMENDMENT HEREOF

SECTION 9.01. Amendments Permitted.

(a) Amendments With Bond Owner Consent. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by Supplemental Indenture, which the Authority and the Trustee may enter into when the written consents of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding are filed with the Trustee. No such modification or amendment may (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by this Indenture on such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It is not necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it is sufficient if such consent approves the substance thereof.

(b) Amendments Without Owner Consent. This Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners if the Trustee has been furnished an opinion of counsel that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Bonds, including, without limitation, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority in this Indenture contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(ii) to cure any ambiguity, inconsistency or omission, or to cure or correct any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Authority deems necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(iv) to modify, amend or supplement this Indenture in such manner as to assure that the interest on the Bonds remains excluded from gross income under the Tax Code; or

(v) to provide for the issuance of Additional Bonds pursuant to Section 3.07 hereof.

(c) Limitation. The Trustee is not obligated to enter into any Supplemental Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(d) Notice of Amendments. The Authority shall deliver or cause to be delivered a draft of any Supplemental Indenture to each rating agency which then maintains a rating on the Bonds, at least 10 days prior to the effective date of such Supplemental Indenture under this Section.

SECTION 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture under this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture under this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his Bonds for the purpose at the Principal Corporate Trust Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Principal Corporate Trust Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

SECTION 9.04. Amendment of Particular Bonds. The provisions of this Article IX do not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Owner.

ARTICLE X

DEFEASANCE

SECTION 10.01. Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on such Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, irrevocably, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums; or

(c) by depositing with a qualified escrow holder, in escrow, Defeasance Obligations in such amount as the Authority (verified by an Independent Certified Public Accountant) shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture and/or the Installment Sale Agreement, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been mailed pursuant to Section 4.03 or provision satisfactory to the Trustee has been made for the mailing of such notice, then, at the election of the Authority, and notwithstanding that any of such Bonds have not been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to all such Bonds, shall cease and terminate, except only the obligation of the Authority to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and all expenses and costs of the Trustee. Notice of such election shall be filed with the Trustee.

Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the Authority or the District.

SECTION 10.02. Unclaimed Funds. Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for 2 years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or 2 years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Bond Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Revenues. Notwithstanding anything in this Indenture or in the Bonds contained, the Authority is not required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Nevertheless, the Authority may, but is not required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

SECTION 11.02. Limitation of Rights to Parties and Bond Owners. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee, the District and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the District and the Owners of the Bonds.

SECTION 11.03. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish such funds and accounts as it deems necessary or appropriate to perform its obligations under this Indenture.

SECTION 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice is required to be given by mail, such requirement may be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

SECTION 11.05. Destruction of Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee, and the delivery to the Authority, of any Bonds, the Trustee may, in lieu of such cancellation and delivery, destroy such Bonds as may be allowed by law, and at the written request of the Authority the Trustee shall deliver a certificate of such destruction to the Authority.

SECTION 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

The Authority hereby declares that it would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.07. Notices. All notices or communications to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, confirmed by telephone, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Authority, the District or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District or the Authority:	San Benito County Water District 30 Mansfield Road Hollister, CA 95023 Attention: Assistant General Manager
If to the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust

SECTION 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Bond Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

SECTION 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority or the District, or by any other obligor on the Bonds, or by any

person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the District or any other obligor on the Bonds. In case of a dispute as to such right, the Trustee shall be entitled to rely upon the advice of counsel in any decision by Trustee and shall be fully protected in relying thereon.

Upon request, the Authority shall specify to the Trustee those Bonds disqualified under this Section.

SECTION 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, premium, if any, or principal due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, *subject, however*, to the provisions of Section 10.04 but without any liability for interest thereon.

SECTION 11.11. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or interest or premium (if any) on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

SECTION 11.12. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Authority, the District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority, the District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.13. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.14. Payment on Non-Business Day. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and with the same effect as if made on such preceding non-Business Day.

SECTION 11.15. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY has caused this Indenture to be signed in its name by its duly authorized officer and attested to by its Secretary, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

By: _____
Dana Jacobson
Executive Director

ATTEST:

By: _____
Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, *as Trustee*

By: _____
Authorized Officer

APPENDIX A

BOND FORM

NO. R-_____ ***$_____***

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF SAN BENITO

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY
2025 WATER REVENUE BONDS

INTEREST RATE:	MATURITY DATE:	ORIGINAL ISSUE DATE:	CUSIP:
_____%	October 1, ____	_____, 2025	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ***_____***

The SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the 15th day of the month preceding such interest payment date, in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before September 15, 2025, in which event it shall bear interest from the Original Issue Date specified above; *provided, however*, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, at the Interest Rate per annum specified above, payable semiannually on April 1 and October 1 in each year, commencing October 1, 2025 (the "Interest Payment Dates"), calculated on the basis of a 360-day year composed of twelve 30-day months.

Principal hereof and premium, if any, upon early redemption hereof are payable upon presentation and surrender hereof at the corporate trust office of U.S. Bank Trust Company, National Association, in St. Paul, Minneapolis (the "Trust Office"), as trustee (the "Trustee"). Interest hereon is payable by check of the Trustee mailed to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close

of business on the fifteenth day of the month preceding each Interest Payment Date (a "Record Date"), or, upon written request filed with the Trustee as of such Record Date by a registered owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such registered owner in such written request.

This Bond is not a debt of the San Benito County Water District (the "District"), the County of San Benito, the State of California, or any of its political subdivisions, and neither the District, said County, said State, nor any of its political subdivisions, is liable hereon nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Revenues.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "San Benito County Water District Financing Authority 2025 Water Revenue Bonds" (the "Bonds"), in an aggregate principal amount of $_____, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption provisions) and all issued pursuant to the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the California Government Code, commencing with Section 6584 of said Code, and under an Indenture of Trust dated as of May 1, 2025 (the "Indenture"), between the Authority and the Trustee, and a resolution of the Authority adopted on _____, 2025, authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority thereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the Authority to finance certain improvement to Zone 6 of the District. This Bond and the interest and premium, if any, hereon are special obligations of the Authority, payable from the Revenues, and secured by a charge and lien on the Revenues as defined in the Indenture, consisting principally of installment payments made by the District under an Installment Sale Agreement, dated as of May 1, 2025, between the Authority and the District (the "Installment Sale Agreement"), which installment payments are secured by the Net Revenues of Zone 6. As and to the extent set forth in the Indenture, all of the Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds and any Additional Bonds, which may be issued only in accordance with the terms of the Indenture.

The rights and obligations of the Authority and the owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected.

The Bonds maturing on or before October 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after October 1, 20___, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any Interest Payment Date on or after October 1, 20_, from any available source of funds, at a redemption price equal the principal amount of the Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

The Bonds are also subject to redemption as a whole, or in part by lot, on any date, to the extent of any net proceeds of hazard or title insurance with respect to the facilities of Zone 6 or any portion thereof which are not used to repair or replace such facilities pursuant to the Installment Sale Agreement, or to the extent of any net proceeds arising from the disposition of the facilities of Zone 6 or any portion thereof in eminent domain proceedings which the District elects to be used for such purpose pursuant to the Installment Sale Agreement, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium.

The Bonds maturing October 1, ____ and October 1, ____ (the "Term Bonds") shall also be subject to redemption in whole, or in part by lot, on October 1 in each of the years as set forth in the following tables, from deposits made for such purpose pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof shall be purchased pursuant to the Indenture, in the aggregate respective principal amounts and on the respective dates as set forth in the following table; provided, however, that if some but not all of the Term Bonds have been redeemed pursuant to the optional or mandatory redemption provisions described above, the total amount of all future payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

2025 Term Bonds Maturing October 1, _____

Sinking Fund Redemption Date (October 1)	Principal Amount To Be Redeemed

2025 Term Bonds Maturing October 1, _____

Sinking Fund Redemption Date (October 1)	Principal Amount To Be Redeemed

As provided in the Indenture, notice of redemption will be mailed by the Trustee by first class mail not less than 20 nor more than 60 days prior to the redemption date to the respective owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Trust Office, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. This Bond may be exchanged at the Trust Office for Bonds of the same tenor, aggregate principal amount, interest rate and maturity, of other authorized denominations.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Authority or the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

It is hereby certified by the Authority that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the Indenture and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Indenture or any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the San Benito County Water District Financing Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its duly authorized officer and attested to by the facsimile signature of its Secretary, all as of the Original Issue Date specified above.

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

By: _____
Dana Jacobson
Executive Director

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, *as Trustee*

By: _____
Authorized Signatory

STATEMENT OF INSURANCE

[to come if applicable]

FORM OF ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____
Note: Signature(s) must be guaranteed by an eligible guarantor institution.

_____
Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

APPENDIX B

FORM OF PROJECT FUND REQUISITION

WRITTEN REQUISITION NO.: _____

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust

Re: $_____ San Benito County Water District Financing Authority
2025 Water Revenue Bonds

Ladies and Gentlemen:

In accordance with the terms of that certain Indenture, dated as of May 1, 2025 (the "Indenture"), by and between you and the San Benito County Water District Financing Authority, you are hereby authorized and requested to make immediate disbursement of funds held by you in the Project Fund for Project Costs (as defined in the Indenture) pursuant to Section 3.04 of the Indenture.

You are hereby requested to pay from the Project Fund established by the Indenture, to the person(s), corporation(s) or other entity(ies) designated on Schedule A attached hereto, in payment of all or a portion of the Project Costs, as described on said Schedule.

The undersigned hereby certifies that (i) no part of the amount requested herein has been included in any other request previously filed with you; (ii) to the knowledge of the undersigned, there has not been filed with or served upon the District any notice of any lien or attachment upon or claim (except for any preliminary notice of lien as may be filed in accordance with law) affecting the right of the person, corporation or other entity stated below to receive payment of the amount stated below, which lien has not been released or will not be released simultaneously with the payment requested hereunder; and (iii) the labor, services and/or materials covered hereby have been performed upon or furnished relating to the Project Costs and the payment requested herein is due and payable under a purchase order, contract or other authorization;

Dated: _____, 20__.

SAN BENITO COUNTY WATER DISTRICT

By:_____
Authorized Official

SCHEDULE A

PROJECT FUND DISBURSEMENTS

Payee Name and Address	Description of Costs	Amount

APPENDIX C

FORM OF COST OF ISSUANCE REQUISITION

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY
2025 WATER REVENUE BONDS

REQUISITION NO. __ OF THE AUTHORITY FOR
DISBURSEMENT FROM THE COSTS OF ISSUANCE FUND

The undersigned hereby states and certifies that:

(i) I am the duly appointed, qualified and acting _____ of the San Benito County Water District Financing Authority, a joint exercise of powers authority, duly organized and existing under and by virtue of the laws of the State of California (the "Authority"), and as such, I am familiar with the facts herein certified and am authorized to certify the same;

(ii) I am an "Authorized Official" of the Authority, as such term is defined in that certain Indenture of Trust, dated as of May 1, 2025 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee");

(iii) pursuant to Section 3.03 of the Indenture, the Trustee is hereby requested to disburse this date, from the Costs of Issuance Fund established under the Indenture, upon receipt of an invoice from each of the payees designated on Exhibit A attached hereto and by this reference incorporated herein, the amount set forth in such invoice but no more than the amount set forth opposite each such payee, in payment of Costs of Issuance described on said Exhibit A, and all such payments shall be made by check or wire transfer in accordance with payment instructions contained in Exhibit A or the invoice submitted in accordance therewith and the Trustee shall have no duty or obligation to authenticate such payment instructions or the authorization thereof;

(iv) each obligation identified on the attached Exhibit A has been properly incurred, is a proper charge against the Costs of Issuance Fund and has not been the basis of any previous disbursement; and

(v) attached hereto is an invoice or other evidence supporting the amounts due as identified on Exhibit A.

Capitalized terms used herein and not otherwise defined have the meanings given them in the Indenture.

Dated: _____, 2025

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

By: _____

EXHIBIT A

COSTS OF ISSUANCE DISBURSEMENTS

Payee Name and Address	Purpose of Obligation	Amount*

Total:

Amount of Original Deposit:

Amount Remaining after Initial Disbursements:

* Not to exceed amount; payment to be made only upon submission of an invoice.

EXHIBIT D

PROVISIONS RELATING TO THE INSURANCE POLICY

The following terms and provisions are hereby incorporated into this Indenture by this reference. As to the Bonds, such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.

[To come, if applicable]

$_____
SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY
2025 WATER REVENUE BONDS

BOND PURCHASE AGREEMENT

May ___, 2025

San Benito County Water District Financing Authority
c/o San Benito County Water District
30 Mansfield Road Hollister, CA 95023

Ladies and Gentlemen:

The undersigned Stifel, Nicolaus & Company, Incorporated ("Stifel") (the "Underwriter") hereby offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the San Benito County Water District Financing Authority , a joint exercise of powers authority duly organized and validly existing under and pursuant to the laws of the State of California (the "Issuer"), and the San Benito County Water District, a California Special District duly organized and validly existing under and pursuant to the laws of the State of California, specifically the San Benito County Water District Act (the "Borrower"), whereby the Underwriter will purchase and the Issuer will sell the Bonds (as defined and described below) which are being issued by the Issuer for the benefit of the Borrower. The Underwriter is making this offer subject to the acceptance by the Issuer and the Borrower at or before 5:00 P.M., California time, on the date hereof. If the Issuer and the Borrower accept this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind the Issuer, the Borrower, and the Underwriter. The Underwriter may withdraw this Purchase Agreement upon written notice delivered by the Underwriter to the General Manager of the Issuer and the Borrower at any time before the Issuer and Borrower accept this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Indenture (as defined below).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the following bonds: San Benito County Water District Financing Authority 2025 Water Revenue Bonds (the "Bonds"), at the purchase price of $_____, representing the aggregate principal amount of the Bonds less an Underwriter's discount of $_____ [plus net original issue premium of $_____/less net original discount of $_____]. [As an accommodation to the Issuer, the Underwriter will wire a $_____ portion of the purchase price, comprising the premiums for the Insurance Policy and the Reserve Policy (defined below), directly to the Bond Insurer.] The Underwriter intends to make an initial bona fide public offering of the Bonds at a price or prices described in Schedule I hereto; provided, however, the Underwriter reserves the right to change such initial public offering prices as the Underwriter deems necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds (but in all cases subject to the requirements of Section 5 hereof), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter at

prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to the requirements of Section 5 hereof).

The Issuer and the Borrower acknowledge and agree that with respect to the transaction contemplated hereby: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended, (ii) the primary role of the Underwriter, as an Underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Issuer, the Borrower and the Underwriter and the Underwriter has financial and other interests that differ from those of the Issuer and the Borrower; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor financial advisor or fiduciary to the Issuer or the Borrower and has not assumed any advisory or fiduciary responsibility to the Issuer or the Borrower (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer or the Borrower on other matters); (iv) the only obligations the Underwriter has to the Issuer and the Borrower are expressly set forth in this Purchase Agreement; and (v) the Issuer and the Borrower have consulted their own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent deemed appropriate.

2. Description and Purpose of the Bonds. The Bonds have been authorized pursuant to the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act") and a resolution, adopted by the Board of Directors of the Issuer on April 30, 2025 (the "Authorizing Resolution"). The Bonds shall be dated the date of delivery. The Bonds shall be issued and secured under and pursuant to the Indenture of Trust, dated as of May 1, 2025 (the "Indenture"), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

Pursuant to an Installment Sale Agreement dated as of May 1, 2025 (the "Installment Sale Agreement") between the Issuer and the Borrower, the proceeds of the sale of the Bonds will be used to (i) provide funds to assist the San Benito County Water District with financing certain improvements to Zone 6 of the Borrower's water system and (ii) pay certain costs of issuance associated with the Bonds.

In accordance with the Installment Sale Agreement, the Borrower will agree to make installment payments at times and in amounts sufficient to pay debt service on the Bonds. The Borrower's obligations under the Installment Sale Agreement will be secured by net revenues generated from the part of the Water Enterprise of the Borrower that comprises Zone 6, as such terms are defined in the Installment Sale Agreement.

The Bonds will be secured under the provisions of the Act and the Indenture. The Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to optional and mandatory redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The authorized denominations, Record Date, Interest Payment Dates, and other details and particulars of the Bonds shall be as described in the Indenture and the Official Statement (as defined below) of the Issuer.

3. Delivery of the Official Statement and Other Documents.

(a) The Issuer and the Borrower have approved and delivered or caused to be delivered to the Underwriter copies of the Preliminary Official Statement dated May ___, 2025, which, including the cover page and all appendices thereto, is herein referred to as the "Preliminary Official

Statement." It is acknowledged by the Issuer and the Borrower that the Underwriter may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. The Issuer and the Borrower deem the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) of Rule 15c2-12.

(b) Within seven (7) business days from the date hereof, and in any event not later than the Closing Date, the Issuer and the Borrower shall deliver to the Underwriter a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Issuer, the Borrower, Bond Counsel, and the Underwriter, is referred to herein as the "Official Statement") and such additional conformed copies thereof as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the MSRB and to meet potential customer requests for copies of the Official Statement. The Underwriter agrees to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Issuer or the Borrower, with the MSRB on its Electronic Municipal Markets Access ("EMMA") system, if required by MSRB Rule G-32. The Official Statement shall be executed by and on behalf of the Issuer and the Borrower by an authorized officer of the Issuer and the Borrower. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Issuer and the Borrower shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Underwriter. The Issuer and the Borrower hereby agree to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission ("SEC") including in a word-searchable pdf format including any amendments thereto. The Issuer and the Borrower hereby ratify, confirm and consent to and approve the use and distribution by the Underwriter before the date hereof of the Preliminary Official Statement and hereby authorize and consent to the use by the Underwriter of the Official Statement and the Indenture in connection with the public offering and sale of the Bonds.

(c) In order to assist the Underwriter in complying with Rule 15c2-12, the Borrower will undertake, pursuant to the Continuing Disclosure Certificate, dated as of May __, 2025 (the "Disclosure Agreement"), executed and delivered by the Borrower, to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Agreement is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement.

4. Third-Party Credit Enhancement or Support.

[The Bonds maturing on October 1, 20___ through October 1, 20___, inclusive (the "Insured Bonds"), will be insured under a municipal insurance policy (the "Insurance Policy") to be issued by _____ (the "Bond Insurer") concurrently with the issuance of the Insured Bonds.] [In addition, the Bond Insurer will issue a Debt Service Reserve Fund Insurance Policy with respect to the Bonds (the "Reserve Policy"), delivery of which will satisfy the Reserve Requirement for the Bonds.]

5. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, substantially in the form attached hereto as Exhibit A, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

(b) [Except for the maturities set forth in Schedule I attached hereto,] the Issuer represents that it will treat the first price at which 10% of each maturity of the Bonds (the "10% Test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which the Underwriter have sold to the public each maturity of Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, the Issuer or Bond Counsel.] For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

[(c) The Underwriter confirms that the Underwriter has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% Test has not been satisfied and for which the Issuer and the Underwriter agrees that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the Underwriter have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.]

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

[(c)][(d)] The Underwriter confirms that:

(ii) any selling group agreement and each third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter, and

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public. (ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or dealer and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

[(d)][(e)] The Issuer acknowledges that, in making the representations set forth in this section, the Underwriter will rely on [(i) the agreement of the Underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement by the underwriter and the related pricing wires], (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that [an Underwriter or dealer who is a member of the selling group is a party to] a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer

that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

[(e)][(f)] The Underwriter acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party to an underwriter,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.

6. [Reserved].

7. Representations and Warranties of the Issuer. The Issuer hereby represents to the Underwriter and warrants that:

(a) The Issuer is duly organized and validly existing, with full legal right, power and authority to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, and execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Indenture, the Installment Sale Agreement, the Bonds and the Tax Certificate (as defined below) (collectively, the "Issuer Documents") and to perform and consummate all obligations and transactions required or contemplated by each of the Issuer Documents and the Official Statement.

(b) The Authorizing Resolution approving and authorizing the execution and delivery by the Issuer of the Issuer Documents and the offering, issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, was duly adopted at a meeting of the Board of Directors of the Issuer called and held pursuant to law and with all public notice required by law and

at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Indenture and the Bonds conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement and the Bonds, when duly issued and authenticated in accordance with the Indenture and delivered to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Issuer, entitled to the benefits of the Indenture and payable from the sources therein specified.

(d) The Issuer has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Issuer Documents. Each of the Issuer Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Each of the Issuer Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(e) The execution and delivery of the Bonds by the Issuer will not in any material respect be in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Authorizing Resolution, the issuance, delivery and sale of the Bonds and the execution and delivery of the Issuer Documents and compliance with and performance of the Issuer's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer (except as described in or contemplated by the Issuer Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used in this paragraph, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or resolution or any material agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject (including, without limitation, the Act, the Authorizing Resolution and the Issuer Documents).

(f) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Issuer Documents have been obtained; provided, that the Issuer makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(g) Any certificates executed by any officer of the Issuer and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Issuer as to the accuracy of the statements therein made and as to the authority of the representative to deliver such certificates and make such representation.

(h) The information contained in the Preliminary Official Statement under the caption "THE AUTHORITY AND THE DISTRICT – The Authority," as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) The information contained in the Official Statement under the caption "THE AUTHORITY AND THE DISTRICT – The Authority," as of its date and at all times after the date of the Official Statement, up to and including the Closing Date is and will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" as defined in Rule 15c2-12 (unless the Underwriter and the Issuer agree otherwise in writing by the Closing Date, the "end of the underwriting period" shall be deemed to be the Closing Date), the Official Statement under the caption "THE AUTHORITY AND THE DISTRICT – The Authority," as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Except as described in the Preliminary Official Statement and Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Issuer or against any other party of which the Issuer has notice or, to the knowledge of the Issuer, threatened against the Issuer: (i) in any way contesting or affecting any authority for the issuance of the Bonds or the validity or binding effect of any of the Issuer Documents, or (ii) which is in any way contesting the creation, existence, powers or jurisdiction of the Issuer or the validity or effect of the Indenture or the Act or any provision thereof or the application of the proceeds of the Bonds.

(l) If provided for in the Official Statement, the Issuer has provided or will undertake to provide certain annual financial information and update such information on an annual basis.

All representations, warranties and agreements of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

8. Representations and Warranties of the Borrower. The Borrower hereby represents to and warrants that:

(a) The Borrower is duly organized and validly existing, with full legal right, power and authority to execute, deliver and perform its obligations, as the case may be, under this Purchase Agreement, the Installment Sale Agreement, the Disclosure Agreement and the Tax Certificate (collectively, the "Borrower Documents") and to perform and consummate all obligations and transactions required or contemplated by each of the Borrower Documents and the Official Statement.

(b) The resolution approved by the Board of Directors of the Borrower on April 30, 2025 (the "Borrower Resolution") approving and authorizing the execution and delivery by the Borrower of the Borrower Documents and the offering, issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, was duly adopted at a meeting of the Board of Directors of the Borrower called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and is in full force and effect and has not been amended or repealed.

(c) The Borrower has executed and delivered, or will execute and deliver on or before the Closing Date, each of the Borrower Documents. Each of the Borrower Documents constitutes, or will, as of the Closing Date, constitute, a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Each of the Borrower Documents has been executed and delivered, or will be executed and delivered on or before the Closing Date, by each respective signatory and is currently in full force and effect or, as of the Closing Date, will be in full force and effect.

(d) The Borrower is not in any material respect in breach of or default under any law or administrative regulation of the State or of the United States or any agency or instrumentality of either, or of any other governmental agency, or any Material Judgment or Agreement (as defined below), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any Material Judgment or Agreement; and the adoption of the Borrower Resolution, the execution and delivery of the Borrower Documents, and compliance with and performance of the Borrower's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any such constitutional provision, law, administrative regulation or any Material Judgment or Agreement, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower (except as described in or contemplated by the Borrower Documents and the Official Statement) or under the terms of any such law, administrative regulation or Material Judgment or Agreement. As used in this paragraph, the term "Material Judgment or Agreement" means any judgment or decree or any loan agreement, indenture, bond, note or any material agreement or other instrument to which the Borrower is a party or to which the Borrower or any of its property or assets is otherwise subject.

(e) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the Borrower of its obligations hereunder and under the Borrower Documents have been obtained; provided, that the Borrower makes no representations as to any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(f) Any certificates executed by any officer of the Borrower and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the Borrower as to the accuracy of the statements therein made and as to the authority of the representative to deliver such certificates and make such representation.

(g) Between the date hereof and the time of the Closing, the Borrower shall not, without the prior written consent of the Underwriter, offer or issue in any material amount any bonds,

notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, except in the course of normal business operations of the Borrower or except for such borrowings as may be described in or contemplated by the Official Statement.

(h) The financial statements of the Borrower as of June 30, 2024, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Borrower as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Borrower or in its operations since June 30, 2024, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(i) Except for information which is permitted to be omitted pursuant to Rule 15c2-12(b)(1), the information contained in the Preliminary Official Statement (excluding therefrom the information under the captions "THE 2025 BONDS – General Bonds Terms – Book – Entry Only System" and "UNDERWRITING" and in Appendix F, as to which no representations or warranties are made), as of its date and as of the date hereof was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(j) The Official Statement is, as of its date and at all times after the date of the Official Statement (excluding therefrom the information under the captions "THE 2025 BONDS – General Bonds Terms – Book – Entry Only System" and "UNDERWRITING" and in Appendix F, as to which no representations or warranties are made) up to and including the Closing Date will be, true and correct in all material respects and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" as defined in Rule 15c2-12 (unless the Underwriter notifies the Borrower by the Closing Date of an unsold balance, in which case the "underwriting period" shall be deemed to end on the Closing Date), the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) If between the date of the Official Statement and the Closing any event shall occur which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Borrower shall notify the Underwriter thereof, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall promptly (and in any event before the Closing) prepare and furnish (at the expense of the Borrower) a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriter.

(m) Except as described in the Preliminary Official Statement and Official Statement, no litigation, proceeding or official investigation of any governmental or judicial body is pending against the Borrower or against any other party of which the Borrower has notice or, to the knowledge of the Borrower, threatened against the Borrower: (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, (ii) in any way contesting the validity or binding effect of any of the Borrower Documents, (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or (iv) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Borrower or the transactions contemplated by the Preliminary Official Statement and Official Statement or any of the Borrower Documents. The Borrower shall advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Official Statement or the Official Statement in connection with the offering, sale or distribution of the Bonds.

(n) If required in accordance with Rule 15c2-12, the Borrower has provided or will undertake to provide certain annual financial information and other information and notices of the occurrence of certain events. Except as described in the Official Statement, during the last five years, the Borrower has not failed to materially comply with any previous undertaking relating to continuing disclosure of information pursuant to Rule 15c2-12.

(o) Except as described in the Official Statement, the Borrower, to the best of its knowledge, has never been and is not in default in the payment of principal of, premium, if any, or interest on, or otherwise is not nor has it been in default with respect to, any bonds, notes, or other obligations which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest.

All representations, warranties and agreements of the Borrower shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

9. [Reserved].

10. Closing. At 8:30 A.M., Pacific Time, on May ___, 2025, or at such other time or date as the Underwriter and the Issuer may mutually agree upon as the date and time of the Closing (the "Closing Date"), the Issuer will deliver or cause to be delivered to the Underwriter, at the offices of Jones Hall A Professional Law Corporation, ("Bond Counsel"), 475 Sansome St., Suite 1700 San Francisco, CA 94111, or at such other place as the Underwriter and the Issuer may mutually agree upon, the Bonds, through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and authenticated, and the other documents specified in Section 11. At the Closing, (a) upon satisfaction of the conditions herein specified, the Underwriter shall accept the delivery of the Bonds, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Issuer and (b) the Issuer shall deliver or cause to be delivered the Bonds to the Underwriter through the facilities of DTC in definitive or temporary form, duly executed by the Issuer and in the authorized denominations as specified by the Underwriter at the Closing and the Issuer shall deliver the other documents hereinafter mentioned. The Bonds shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection.

11. Conditions Precedent. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and agreements of the Issuer and the Borrower contained herein and the performance by the Issuer and the Borrower of their obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following additional conditions:

(a) The representations of the Issuer and the Borrower contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(b) At the time of the Closing, the Official Statement, the Authorizing Resolution, the Borrower Resolution, the Issuer Documents, and Borrower Documents (collectively, the "Legal Documents") shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter.

(c) The Issuer and the Borrower shall each perform or have performed all of its obligations required under or specified in the Authorizing Resolution or Borrower Resolution (as applicable), the Legal Documents to which it is a party, and the Official Statement to be performed at or prior to the Closing.

(d) The Issuer and the Borrower shall have delivered to the Underwriter final Official Statements by the time, and in the numbers, required by Section 3 of this Purchase Agreement.

(e) As of the date hereof and at the time of Closing, all necessary official action of the Issuer and the Borrower relating to the Legal Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(f) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Issuer or the Borrower, the Act, the Authorizing Resolution, the Borrower Resolution, the Legal Documents, the Gross Revenues (as defined in the Installment Sale Agreement) or the Revenues (as defined in the Indenture) as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Bonds.

(g) At or prior to the Closing, the Underwriter shall receive the following documents (in each case with only such changes as the Underwriter shall approve):

(i) The approving opinion of Bond Counsel relating to the Bonds, dated the Closing Date, substantially in the form attached as Appendix E to the Official Statement, and, if not otherwise directly addressed to the Issuer and the Underwriter, a reliance letter with respect thereto addressed to the Issuer and the Underwriter;

(ii) The supplemental opinion of Bond Counsel, addressed to the Underwriter, dated the Closing Date, to the effect that:

(1) This Purchase Agreement has been duly executed and delivered by the Issuer and the Borrower and is a legal, valid and binding obligation of the Issuer and

the Borrower enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally, to the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of California;

(2) The statements contained in the Preliminary Official Statement and the Official Statement on the cover page and in the sections entitled "INTRODUCTION," "FINANCING PLAN," "THE 2025 BONDS" (other than the information concerning DTC and the book-entry system), "SECURITY FOR THE 2025 BONDS," and "TAX MATTERS," and in Appendices A and E, insofar as such statements expressly summarize certain provisions of the Indenture, the Bonds, and the form and content of such counsel's opinion attached as Appendix E to the Preliminary Official Statement and the Official Statement, are accurate in all material respects; and

(3) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "1933 Act") and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(iii) A letter, dated the Closing Date and addressed to the Underwriter, from Jones Hall A Professional Law Corporation, San Francisco, California, Disclosure Counsel, to the effect that, based upon the information made available to them in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, nothing has come to their attention which would lead them to believe that the Preliminary Official Statement, as of its date and as of the date hereof, did not and does not, and the Official Statement as of its date and all times subsequent thereto during the period up to and including the Closing Date (except any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates or projections and information relating to The Depository Trust Company and its book-entry system included or referred to therein and the information in Appendices B and F thereto, which shall be expressly excluded from the scope of this paragraph and as to which such firm will express no opinion or view), does not and will not, contain an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(iv) The opinion of Counsel to the Issuer, dated the date of the Closing and addressed to the Underwriter, to the effect that:

(1) The Issuer has been duly organized and is validly existing under the Constitution and laws of the State of California, and has all requisite power and authority thereunder: (a) to adopt the Authorizing Resolution, and to enter into, execute, deliver and perform its covenants and agreements under the Issuer Documents; (b) to approve and authorize the use, execution and distribution of the Preliminary Official Statement and the Official Statement; (c) to issue, sell, execute and deliver the Bonds; and (d) to carry on its activities as currently conducted;

(2) The Issuer has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated by the documents mentioned in paragraph (a) above, and the Issuer has duly authorized the execution and delivery of, and the due performance of its obligations under, the Issuer Documents;

(3) The Authorizing Resolution was duly adopted by the Board of Directors of the Issuer at a meeting of the governing body of the Issuer which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the Authorizing Resolution;

(4) The adoption of the Authorizing Resolution, the execution and delivery by the Issuer of the Issuer Documents and the compliance with the provisions of the Issuer Documents, do not and will not conflict with or violate in any material respect any California constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the Issuer a material breach of or default under any agreement or instrument to which the Issuer is a party or by which it is bound;

(5) The Issuer Documents constitute legal, valid and binding obligations of the Issuer and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(6) The information contained in the Preliminary Official Statement, as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date under the captions "THE AUTHORITY AND THE DISTRICT – the Authority" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(7) To the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Issuer of the Issuer Documents and the authorization and distribution of the Preliminary Official Statement and the Official Statement (provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriter); and

(8) To the best of such counsel's knowledge after due inquiry, the Issuer is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Issuer Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Issuer's ability to enter into or perform its obligations under the Issuer Documents;

(v) The opinion of general counsel to the Borrower, dated the date of the Closing and addressed to the Underwriter, to the effect that:

(1) The Borrower is validly existing under the laws of the State of California, and has all requisite authority: (a) to adopt the Borrower Resolution and to enter into, execute, deliver and perform its covenants and agreements under the Borrower Documents; (b) to

approve and authorize the use, execution and distribution of the Preliminary Official Statement and the Official Statement; (c) to pledge the Gross Revenues as contemplated by the Borrower Documents; and (d) to carry on its activities as currently conducted;

(2) The Borrower has taken all actions required to be taken by it before the Closing Date material to the transactions contemplated here, and the Borrower has duly authorized the execution and delivery of, and the due performance of its obligations under, the Borrower Documents;

(3) The Borrower Resolution was duly adopted by the Board of Directors of the Borrower at a meeting of the governing body of the Borrower which was called and held pursuant to law and with all required notices and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of the Borrower Resolution;

(4) The adoption of the Borrower Resolution, the execution and delivery by the Borrower of the Borrower Documents and the compliance with the provisions of the Borrower Documents, do not and will not conflict with or violate in any material respect any California constitutional, statutory or regulatory provision, or, to the best of such counsel's knowledge after due inquiry, conflict with or constitute on the part of the Borrower a material breach of or default under any agreement or instrument to which the Borrower is a party or by which it is bound;

(5) The Borrower Documents constitute legal, valid and binding obligations of the Borrower and are enforceable according to the terms thereof, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally, and by the application of equitable principles if equitable remedies are sought, by the exercise of judicial discretion and the limitations on legal remedies against public entities in the State;

(6) No litigation is pending or, to the best of such counsel's knowledge after due inquiry, threatened against the Borrower in any court in any way affecting the titles of the officials of the Borrower to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Borrower Documents, or contesting in any way the completeness or accuracy of the Official Statement;

(7) The information contained in the Preliminary Official Statement, as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date under the captions "THE AUTHORITY AND THE DISTRICT," "THE WATER SYSTEM AND ZONE 6," "FINANCIAL MATTERS OF THE DISTRICT," and "NO MATERIAL LITIGATION" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(8) To the best of such counsel's knowledge after due inquiry, no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Borrower of the Borrower Documents and the authorization and distribution of the Preliminary Official Statement and the Official Statement

(provided that no opinion need be expressed as to any action required under state securities or Blue Sky laws in connection with the purchase of the Bonds by the Underwriter); and

(9) To the best of such counsel's knowledge after due inquiry, the Borrower is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, agreement or other instrument to which the Borrower is a party or is otherwise subject, which breach or default would materially adversely affect the Borrower's ability to enter into or perform its obligations under the Borrower Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument and which would materially adversely affect the Borrower's ability to enter into or perform its obligations under the Borrower Documents;

(vi) The opinion of Dorsey & Whitney LLP, Costa Mesa, California, counsel to the Trustee, dated the date of the Closing and addressed to the Underwriter, to the effect that:

(1) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the United States having full power and authority and being qualified to enter into, accept and administer the trust created under the Indenture and to enter into such Indenture;

(2) The Indenture has been duly authorized, executed and delivered by the Trustee and constitute the legal, valid and binding obligations of the Trustee enforceable against the Trustee in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought;

(3) The execution, delivery and performance of the Indenture will not conflict with or cause a default under any law, ruling, agreement, administrative regulation or other instrument by which the Trustee is bound;

(4) All authorizations and approvals required by law and the articles of association and bylaws of the Trustee in order for the Trustee to execute and deliver and perform its obligations under the Indenture have been obtained; and

(5) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending or threatened in any way affecting the existence of the Trustee or the titles of its directors or officers to their respective offices, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the application of proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the Bonds or the Indenture;

(vii) The opinion of Stradling Yocca Carlson & Rauth LLP, counsel to the Underwriter, dated the date of the Closing and addressed to the Underwriter, and covering such matters as the Underwriter may reasonably request;

(viii) [The opinion of counsel to the Bond Insurer, dated the date of Closing and addressed to the Underwriter, in form and substance satisfactory to the Underwriter, as to: (a) the

validity and enforceability of the Policy; and (b) the exemption of the Policy from the registration requirements under the 1933 Act;]

(ix) A certificate, dated the Closing Date, signed by an authorized office of the Issuer to the effect that: (a) the representations and agreements of the Issuer contained herein are true and correct in all material respects as of the date of the Closing; (b) the Issuer Documents have been duly authorized and executed and are in full force and effect; and (c) the information contained in the Official Statement under the caption "THE AUTHORITY AND THE DISTRICT – the Authority" is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(x) A certificate, dated the Closing Date, signed by an authorized officer of the Borrower to the effect that: (a) the representations and agreements of the Borrower contained herein are true and correct in all material respects as of the date of the Closing; (b) the Borrower Documents have been duly authorized and executed and are in full force and effect; (c) except as described in the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement, no litigation is pending or, to his or her knowledge, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds, (ii) in any way contesting or affecting any Borrower Document, or (iii) which, if adversely determined, could materially adversely affect the financial position or operating condition of the Borrower or the transactions contemplated by the Preliminary Official Statement as of its date and as of the date hereof and the Official Statement as of its date and as of the Closing Date or any Borrower Document; and (d) the Official Statement is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except no review has been made of information in the Official Statement under the captions "THE 2025 BONDS – General Bonds Terms – Book – Entry Only System" and "UNDERWRITING" and in Appendix F ;

(xi) A certificate, dated the Closing Date, signed by an authorized officer of the Borrower, in form and substance satisfactory to the Underwriter, to the effect that (i) the financial statements of the Borrower as June 30, 2024, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the Borrower as of the dates and for the periods therein set forth and (ii) except as disclosed in the Preliminary Official Statement and the Official Statement, since June 30, 2024, no materially adverse change has occurred, or any development involving a prospective material change, in the financial position or results of operations of the Borrower and the Borrower has not incurred since June 30, 2024, any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement;

(xii) Executed or certified copies of the Indenture;

(xiii) Executed or certified copies of each other Legal Document;

(xiv) [A certificate of the Bond Insurer, dated as of the Closing Date, in form and substance satisfactory to the Underwriter and counsel to the Underwriter to the effect that the information relating to the Bond Insurer and the Policy set forth in the Official Statement under the caption "BOND INSURANCE" was and is true and correct in all material respects as of the date of the Official Statement and as of the Closing Date;]

(xv) [Executed or certified copies of the Policy and the Reserve Policy];

(xvi) A Tax and Nonarbitrage Certificate of the Issuer and the Borrower (the "Tax Certificate"), in form satisfactory to Bond Counsel, executed by such officials of the Issuer and the Borrower as shall be satisfactory to the Underwriter;

(xvii) Certified copies of the Authorizing Resolution and the Borrower Resolution;

(xviii) Evidence satisfactory to the Underwriter that the ratings on the Bonds are as described in the Official Statement;

(xix) A certificate of an authorized officer of the Trustee, as trustee, dated as of the Closing Date, to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (b) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the Indenture; (c) when delivered to and paid for by the Underwriter at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (d) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (e) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriter;

(xx) For each of the Bonds and the Installment Sale Agreement, the preliminary and final Statement of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code;

(xxi) Evidence that a Debt Management Policy which complies with Section 8855 of the Government Code has been adopted by the Issuer and the Borrower;

(xxii) A certified copy of the executed joint exercise of powers agreement creating the Issuer, together with documentation from the Secretary of State with respect to the Issuer's good standing;

(xxiii) Evidence that a Form 8038-G relating to the Bonds has been executed by the Issuer and will be filed with the Internal Revenue Service (the "IRS") within the applicable time limit:

(xxiv) A copy of the Blue Sky Survey with respect to the Bonds;

(xxv) A copy of the Issuer's executed Blanket Letter of Representation to The Depository Trust Company; and

(xxvi) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel for the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Issuer and the Borrower with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer and the Borrower herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the Borrower and all conditions precedent to the issuance of additional Bonds pursuant to the Indenture shall have been fulfilled.

12. Termination. If the Issuer or the Borrower shall be unable to satisfy the conditions of the Underwriter obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Underwriter to the Issuer and the Borrower in writing, or by telephone confirmed in writing. The performance by the Issuer and the Borrower of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriter may be waived by the Underwriter.

(a) The Underwriter shall also have the right, before the time of Closing, to cancel its obligations to purchase the Bonds, by written notice (or by telephone confirmed in writing) by the Underwriter to the Issuer and the Borrower, if between the date hereof and the time of Closing, in the Underwriter's sole and reasonable judgment any of the following events shall occur:

(i) the market price or marketability of the Securities, or the ability of the Underwriter to enforce contracts for the sale of the Securities, shall be materially adversely affected by any of the following events:

(1) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall

have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Securities; or

(2) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(3) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(4) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Securities, the Bond Legislation or the Issuer Documents, or any comparable securities of the Issuer, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(5) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Issuer or the Borrower shall have occurred; or

(6) if the Securities (or any portion thereof) are insured by a Policy or supported by a Support Facility, any rating on the Bond Insurer or the Support Facility Provider is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency

(b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer and the Borrower refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Securities or the ability of the Underwriter to enforce contracts for the sale of the Securities; or

(c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(d) a material disruption in securities settlement, payment or clearance services affecting the Securities shall have occurred; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Securities, including the underlying obligations as contemplated by this Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Securities, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Agreement by the Underwriter, all obligations of the Issuer, the Borrower and the Underwriter under this Agreement shall terminate, without further liability.

13. Amendments to Official Statement. During the period commencing on the date of the Official Statement and ending twenty-five (25) days from the "end of the underwriting period" (as defined in this Purchase Agreement) the Issuer and the Borrower shall advise the Underwriter if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including that date that is 25 days from the end of the underwriting period, the Official Statement as supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and shall amend or supplement the Official Statement (in form and substance satisfactory to counsel for the Underwriter) so that the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The expenses of preparing such amendment or supplement shall be borne by the Borrower. For the purpose of this Section, the Issuer and the Borrower will furnish to the Underwriter such information with respect to itself as the Underwriter may from time to time reasonably request.

14. Expenses. Whether or not the Bonds are sold to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the Issuer and the Borrower's obligations hereunder. If the Bonds are delivered by the Issuer to the Underwriter, the Borrower shall pay, from the proceeds of the Bonds or from other funds of the Borrower, the following expenses: (a) the cost of preparing, duplicating or printing, mailing and delivering the Transaction Documents, including the cost of electronically distributing the Preliminary Official Statement and the Official Statement and any amendment or supplement of either; (b) the cost of preparation and printing of the definitive Bonds; (c) the fees and expenses of the Issuer, Borrower, the Paying Agent, Bond Counsel,

Disclosure Counsel, counsel to the Underwriter and any entity performing continuing disclosure compliance research or providing continuing disclosure compliance reports and any other experts or consultants retained by the Borrower; (d) the charges of any rating agency with respect to the Bonds; (e) reimbursement to the Underwriter for payment of any fees and expenses reasonably incurred in connection with the initial offering, sale and delivery of the Bonds, including but not limited to industry fees (e.g., DTC, DAC, IPREO, CUSIP and Day Loan fees) only if the Borrower and Underwriter have previously discussed and approved the allocation of proceeds towards these fees, and meal and travel expenses of Borrower personnel, but not including entertainment expenses or those to be paid by the Underwriter pursuant to the last paragraph of this Section, and (f) all other fees and expenses, not including entertainment expenses, reasonably incurred in connection with the preparation of the Transaction Documents and/or the initial offering, sale and delivery of the Bonds. The Borrower has authorized, and does hereby authorize, the Underwriter to pay such expenses on behalf of the Borrower from proceeds of the Bonds at Closing as further described in the closing memorandum relating to the Bonds.

If the Bonds are sold to the Underwriter by the Issuer, the Borrower shall pay out of the proceeds of the Bonds the discount of the Underwriter or the purchase price paid for the Bonds shall reflect such discount.

Except as otherwise provided in this Section, the Underwriter shall pay the cost, if any, of qualifying the Bonds for sale in the various states chosen by the Underwriter, all advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, not described above.

15. Use of Documents. The Issuer and the Borrower hereby authorize the Underwriter to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Legal Documents, and the information contained herein and therein.

16. Qualification of Securities. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to provide for the continuance of such qualification; *provided, however*, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

The Borrower will cooperate with the Underwriter in the qualification of the Bonds for offering and sale under the Blue Sky or other securities laws and regulations of, such states and other jurisdictions of the United States as the Underwriter may designate; provided that the Borrower will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

17. Notices. Any notice or other communication to be given under this Purchase Agreement may be given by delivering the same in writing to:

The Issuer:

San Benito County Water District Financing Authority
c/o San Benito County Water District
30 Mansfield Road
Hollister, CA 95023
Attention: Treasurer

The Borrower:

San Benito County Water District
30 Mansfield Road
Hollister, CA 95023
Attention: General Manager

The Underwriter:

Stifel, Nicolaus & Company, Incorporated
One Financial Plaza
501 North Broadway
St. Louis, Missouri 63102
Attention: Director of Public Finance

18. Benefit. This Purchase Agreement is made solely for the benefit of the Issuer, the Borrower, and the Underwriter (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Issuer and the Borrower contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 12 (and in all events the agreements of the Issuer and the Borrower pursuant to Section 14 hereof shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 12 hereof).

19. Governing Law. THIS PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

20. Waiver of Jury Trial. THE ISSUER AND THE BORROWER HEREBY IRREVOCABLY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

21. Miscellaneous.

(a) This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

(b) This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

Very truly yours,

By:

STIFEL, NICOLAUS & COMPANY,
INCORPORATED,
as Underwriter

By: _____

Approved and Agreed to at ____ a.m./p.m.

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

By: _____
Name:_____
Title: _____

Approved and Agreed to at ____ a.m./p.m.

SAN BENITO COUNTY WATER DISTRICT

By: _____
Name:_____
Title: _____

SCHEDULE I

$_____
SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY
2025 WATER REVENUE BONDS

MATURITY SCHEDULE

Maturity Date (October 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Initial Offering Price*	*General Rule Maturities*	*Hold-the-Offering-Price Maturities*
20__	$	%	%			

[C] Priced to first optional redemption date of October 1, 20__ at par.
[T] Term Bond.
[I] [Insured Bond].

REDEMPTION PROVISIONS

Optional Redemption. The 2025 Bonds maturing on or before October 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The 2025 Bonds maturing on or after October 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Issuer among maturities on such basis as the Issuer may designate and by lot within a maturity, at the option of the Issuer, on any date on or after October 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the 2025 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

Special Mandatory Redemption from Insurance and Sale Proceeds. The 2025 Bonds are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the Borrower under the Installment Sale Agreement, at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

Mandatory Sinking Fund Redemption. The 2025 Bonds maturing on October 1, 20__ and October 1, 20__ (the "2025 Term Bonds") are also subject to redemption, by lot, on October 1 in each of the years as set forth in the following tables, from deposits made for such purpose pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of the 2025 Term Bonds have been redeemed through optional redemption or special mandatory redemption from insurance and sale proceeds as described above, the total amount of all future payments with respect to such 2025 Term Bonds shall be reduced by the aggregate principal amount of such 2025 Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Issuer (written notice of which determination shall be given by the Issuer to the Trustee).:

2025 Term Bonds Maturing October 1, 20__

Sinking Fund Redemption Date (October 1)	**Principal Amount To Be Redeemed**
	$

2025 Term Bonds Maturing October 1, 20__

Sinking Fund Redemption Date (October 1)	**Principal Amount To Be Redeemed**
	$

In lieu of mandatory sinking fund redemption of the 2025 Term Bonds, amounts on deposit in the Bond Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account pursuant to the Indenture during the current Bond Year) may also be used and withdrawn by the Issuer, upon the Written Request of the Issuer delivered to the Trustee, at any time for the purchase of such 2025 Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Issuer may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Issuer in any twelve-month period ending on October 1 in any year shall be credited towards and shall reduce the

par amount of such Term Bonds required to be redeemed pursuant to this provision on the next succeeding October 1.

EXHIBIT A

$_____
SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY
2025 WATER REVENUE BONDS

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated ("Stifel"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2025, by and between Stifel and the Issuer, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Reserve Fund.***

The establishment of the Reserve Fund for the Bonds in the amount of the Reserve Requirement (as such term is defined in the Indenture of Trust, dated as of May 1, 2025, by and between the Issuer and U.S Bank Trust Company, National Association, as Trustee (the "Trustee") pursuant to which the Bonds are being issued) was vital to the marketing of the Bonds and reasonably required to assure payment of debt service on the Bonds.

4. ***Policy and Reserve Policy.***

(a) The present value of the amount paid to obtain the Policy and Reserve Policy is less than the present value of the interest reasonably expected to be saved as a result of

having the Policy and Reserve Policy, using the yield with respect to the Bonds as the discount factor for this purpose.

(b) To the best knowledge of the undersigned, the amount paid by the Issuer to the Insurer for the Policy and the Reserve Policy is within a reasonable range of premiums charged for comparable credit enhancement for obligations comparable to the Bonds.

5. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2025), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the San Benito County Water District Financing Authority.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2025.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate relating to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded

from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Stifel, Nicolaus & Company, Incorporated

By:_____

Name:_____

By:_____

Name:_____

Dated: _____, 2025

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY [1], 2025

NEW ISSUE – FULL BOOK-ENTRY

S&P RATING (Insured): "____"
S&P RATING (Underlying): "____"
See "RATINGS" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2025 Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the 2025 Bonds is exempt from California personal income taxes. See "TAX MATTERS."

$_____*

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY
2025 WATER REVENUE BONDS

Dated: Date of Delivery **Due: October 1, as shown on inside cover**

Authority for Issuance. The bonds captioned above (the "2025 Bonds") are being issued by the San Benito County Water District Financing Authority (the "Authority") under a resolution adopted by the governing body of the Authority, the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Bond Law"), and an Indenture of Trust dated as of May 1, 2025 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee. See "THE 2025 BONDS – Authority for Issuance."

Use of Proceeds. The 2025 Bonds are being issued to provide funds to (i) assist the San Benito County Water District (the "District") with financing certain improvements to Zone 6 of the District's water system (as further defined herein, "Zone 6"), and (ii) pay the costs of issuing the 2025 Bonds. See "FINANCING PLAN."

Security for the 2025 Bonds. The 2025 Bonds are special obligations of the Authority, payable from the "Revenues" (as described herein) pledged under the Indenture, which consist primarily of installment payments (the "Installment Payments") payable by the District to the Authority under an Installment Sale Agreement, dated as of May 1, 2025 (the "Installment Sale Agreement"), pursuant to which the District is purchasing certain improvements for Zone 6. Repayment of the Installment Payments is secured by a pledge of the "Net Revenues" of Zone 6, as described herein. No debt service reserve fund is being funded for the 2025 Bonds. See "SECURITY FOR THE 2025 BONDS."

Parity Obligations. There are currently outstanding obligations payable from the Net Revenues of Zone 6, as described herein. Additional series of bonds or other debt may be issued in the future that are payable from Net Revenues on a parity with the Installment Payments, subject to the conditions contained in the Installment Sale Agreement. See "SECURITY FOR THE 2025 BONDS – Parity Obligations."

Bond Terms; Book-Entry Only. The 2025 Bonds will bear interest at the rates shown on the inside cover, payable semiannually on April 1 and October 1 of each year, commencing on October 1, 2025, and will be issued in fully registered form without coupons in the denomination of $5,000 or any integral multiple of $5,000. The 2025 Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers of the 2025 Bonds will not receive certificates representing their interests in the 2025 Bonds. Payments of the principal of, premium, if any, and interest on the 2025 Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2025 Bonds. See "THE 2025 BONDS – General Bond Terms."

Redemption. **The 2025 Bonds are subject to redemption prior to maturity. See "THE 2025 BONDS – Redemption."**

[Bond Insurance. [To come]

THE 2025 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY THE REVENUES, WHICH CONSIST PRIMARILY OF THE INSTALLMENT PAYMENTS. THE INSTALLMENT PAYMENTS ARE PAYABLE FROM THE NET REVENUES OF ZONE 6 OF THE DISTRICT AND CERTAIN AMOUNTS HELD BY THE TRUSTEE UNDER THE INDENTURE. THE 2025 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN, OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE AUTHORITY OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE REVENUES AS DESCRIBED HEREIN.

MATURITY SCHEDULE
(see inside cover)

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE 2025 BONDS. INVESTMENT IN THE 2025 BONDS INVOLVES RISKS THAT MAY NOT BE APPROPRIATE FOR SOME INVESTORS. SEE "BOND OWNERS' RISKS."

The 2025 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the District by Jones Hall, A Professional Law Corporation, as Disclosure Counsel, and by Spurzem & Liem LLP, Hollister, California, as general counsel to the District. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling, Yocca, Carlson & Rauth LLP, Newport Beach, California. It is anticipated that the 2025 Bonds, in book-entry only form, will be available through the facilities of DTC on or about May __, 2025.

[Stifel Logo]

The date of this Official Statement is: _____, 2025.

* Preliminary; subject to change.

MATURITY SCHEDULE

$_____ Serial Bonds
(Base CUSIP†: _____)

Maturity (October 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$_____ _____% Term Bond Due October 1, 20___; Yield ____%; Price: ____%
CUSIP†: _____

† CUSIP is a Registered Trademark of The American Bankers Association. FactSet Research Systems Inc. operates The CUSIP Service Bureau for the ABA. These data are not intended to create a database and do not serve in any way as a substitute for the CUSIP services. Neither the Authority, the District nor the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth above.

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

(San Benito County, California)

GOVERNING BOARD OF THE AUTHORITY
AND BOARD OF DIRECTORS OF THE DISTRICT

Doug Williams, *President, Division 4*
Mark Wright, Vice President, Division 1
John Freeman, *Director, Division 2*
Joe Tonascia, *Director, Division 3*
Sonny Flores, *Director, Division 5*

AUTHORITY/DISTRICT OFFICIALS

Dana Jacobson, *General Manager*
Brett Miller, *Assistant General Manager*
Jeremy T. Liem of Spurzem & Liem LLP, *General Counsel*

SPECIAL SERVICES

Municipal Advisor
NHA Advisors, LLC
San Rafael, California

Bond Counsel and Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Trustee
U.S. Bank Trust Company, National Association
San Francisco, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2025 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2025 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the District or Zone 6 since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2025 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2025 Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market price of the 2025 Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2025 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2025 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

[Bond Insurance.]

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Internet Site. The District maintains an internet site; however, none of the information contained on that internet site is incorporated by reference in this Official Statement.

[REGIONAL LOCATION MAP]

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OFFICIAL STATEMENT

**$_____*
SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY
2025 WATER REVENUE BONDS**

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the meanings given in the Indenture (as defined below). See "APPENDIX A – Summary of Certain Provisions of the Principal Legal Documents."

The District. The San Benito County Water District (the "**District**") is a California special district formed in 1953 by the San Benito County Water Conservation and Flood Control Act. At that time, the District merged with the Hollister Irrigation District, becoming the successor to the water rights, water facilities and land interests of the Hollister Irrigation District. The District has broad powers for the conservation and management of water (flood, surface, drainage, and groundwater) within San Benito County, California (the "**County**"), including the development of local water supplies and the development and importation of water supplies from outside the County. For background, demographic and economic information regarding the County and the City of Hollister located therein, see APPENDIX D.

Zone 6 and Other District Zones. The District provides water service and water related service through zones of benefit. Current zones of benefit are:

- District Administration (Zone 1)
- San Benito River System (Zone 3)
- San Felipe Project (Zone 6)
- Groundwater Sustainability Plan (Zone 7)

As shown above, "**Zone 6**" is the zone of benefit for the area of the County that receives imported water from the Central Valley Project ("**CVP**"). The Installment Payments securing the 2025 Bonds are secured by the Net Revenues of the District attributable to Zone 6, as described herein. Zone 6 is sometimes referred to by the District as the San Felipe Project or the San Felipe Distribution System, and is distinguished from Zone 1 (District Administration), Zone 3 (San Benito River System) and Zone 7 (Groundwater Sustainability Plan). Historically, Zone 6's revenues and expenditures have constituted approximately 90% to 95% of the District's total revenues and expenditures.

The Authority. The San Benito County Water District Financing Authority (the "**Authority**") is a joint exercise of powers authority established pursuant to a Joint Exercise of Powers Agreement, dated as of November 1, 2024, by and between the District and the California Statewide Communities Development Authority for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of certain public capital improvements for the District.

Authority for Issuance. The bonds captioned above (the "**2025 Bonds**") are being issued by the Authority under a resolution adopted by the governing body of the Authority, the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "**Bond Law**"), and an Indenture of Trust dated as of May 1, 2025 (the "**Indenture**"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee. See "THE 2025 BONDS – Authority for Issuance."

Purpose of the 2025 Bonds. The 2025 Bonds are being issued to provide funds to (i) assist the District with financing certain improvements for Zone 6, and (ii) pay the costs of issuing the 2025 Bonds. See "FINANCING PLAN."

Security for the 2025 Bonds. The 2025 Bonds are special obligations of the Authority, payable from the "Revenues" (as described herein) pledged under the Indenture, which consist primarily of installment payments (the "**Installment Payments**") payable by the District to the Authority under an Installment Sale Agreement, dated as of May 1, 2025 (the "**Installment Sale Agreement**"), pursuant to which the District is purchasing certain improvements for Zone 6. Repayment of the Installment Payments is secured primarily by a pledge of the Net Revenues of Zone 6, which means the "**Gross Revenues**" received from Zone 6, less the amount of "**Maintenance and Operation Costs**" of Zone 6 (as those terms are defined in the Indenture). No debt service reserve fund is being funded for the 2025 Bonds. See "SECURITY FOR THE 2025 BONDS."

Existing and Future Parity Obligations. The District currently has three long-term debt obligations payable from Net Revenues on parity with the Installment Payments, and may incur additional parity obligations in the future (collectively, the "**Parity Obligations**"), subject to the conditions set forth in the Installment Sale Agreement. See "SECURITY FOR THE 2025 BONDS – Parity Obligations."

The existing Parity Obligations consists of:

- "**2015 Installment Purchase Agreement**," which is the Installment Sale Agreement, dated December 1, 2015, between the District and the Municipal Finance Corporation, currently outstanding in the principal amount of $2,801,451;

- "**2021 Zions Loan Agreement**," which is the 2021 Financing Agreement, dated February 1, 2021, between the District and Zions Bancorporation, currently outstanding in the principal amount of $2,389,000; and

- "**2021 Sterling Loan Agreement**," which is the 2021 Financing Agreement, dated April 1, 2021, between the District and Sterling National Bank, N.A., currently outstanding in the principal amount of $2,461,000.

The 2015 Installment Purchase Agreement and 2021 Sterling Loan Agreement are secured by a pledge of the net revenues of all zones of the District, including Zone 6; the 2021 Zions Loan Agreement is secured by a pledge of the Net Revenues of Zone 6 only. See "THE WATER SYSTEM AND ZONE 6 – Outstanding Indebtedness" for additional details.

Rate Covenants. Under the Installment Sale Agreement, the District is obligated to fix, prescribe, revise, and collect rates and charges for Zone 6 during each Fiscal Year that are sufficient to yield Net Revenues (which consists of both rates and charges and property taxes, as described herein) at least equal to 120% of the amount of the Installment Payments and Debt Service on the Parity Obligations in such Fiscal Year.

Under the Installment Sale Agreement, the District must also fix, prescribe, revise and collect rates and charges (taking into account property taxes received by the District) for Zone 6 during each Fiscal Year which are at least sufficient, after making allowances for contingencies and error in the estimates, to produce Gross Revenues which will be sufficient to pay the following amounts: (i) all Maintenance and Operation Costs of Zone 6 estimated by the District to become due and payable in such Fiscal Year; (ii) the Installment Payments and Debt Service on the Parity Obligations; (iii) all other payments required for compliance with the Installment Sale Agreement, the Indenture and the Parity Obligations Documents; and (iv) all payments required to meet any other obligations of the District that are charges, liens, encumbrances upon or payable from the Gross Revenues or the Net Revenues of Zone 6.

Municipal Bond Insurance. [To come if applicable]

Risks of Investment. The 2025 Bonds are repayable from the Revenues, which are primarily secured by the Installment Payments payable by the District from the Net Revenues of Zone 6. For a discussion of some of the risks associated with the purchase of the 2025 Bonds, see "BOND OWNERS' RISKS."

THE 2025 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY THE REVENUES, WHICH CONSIST PRIMARILY OF THE INSTALLMENT PAYMENTS. THE INSTALLMENT PAYMENTS ARE PAYABLE FROM THE NET REVENUES OF ZONE 6 OF THE DISTRICT AND CERTAIN AMOUNTS HELD BY THE TRUSTEE UNDER THE INDENTURE. THE 2025 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, OR LIEN, OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE AUTHORITY OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE REVENUES AS DESCRIBED HEREIN.

FINANCING PLAN

The 2025 Bonds are being issued to provide funds to (i) assist the District with financing certain improvements for Zone 6 (as described herein, the "**Project**"), and (ii) pay the costs of issuing the 2025 Bonds.

The Project

The Project is expected to consist of the Accelerated Drought Response Project ("**ADRoP**") being undertaken by the District for Zone 6. As provided in the Indenture and the Installment Sale Agreement, amounts not used for ADRoP project may be expended for other capital improvements to Zone 6 approved by the District's Board of Directors. For additional information on the ADRoP project, see "THE WATER SYSTEM AND ZONE 6 – Future Water Supply Projects."

Sources and Uses of Funds

The estimated sources and uses of funds relating to the 2025 Bonds are as follows:

Sources:	
Principal Amount of 2025 Bonds	$
Plus/Less [Net] Original Issue Premium/Discount	
Total Sources	$
Uses:	
Project Fund	
Costs of Issuance[1]	
Total Uses	$

(1) Costs of Issuance include legal fees, Municipal Advisor's fee, Underwriter's discount, printing costs, rating agency fees, [bond insurance and reserve fund insurance premiums], and other expenses related to the issuance of the 2025 Bonds.

THE 2025 BONDS

This section provides summaries of the 2025 Bonds and certain provisions of the Indenture. See APPENDIX A for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

Authority for Issuance

The 2025 Bonds are being issued by the Authority under a resolution adopted by the governing body of the Authority on [April 30], 2025, the Bond Law, and the Indenture. The District, pursuant to a resolution adopted by the Board of Directors of the District on [April 30], 2025, has also approved of the issuance of the 2025 Bonds by the Authority, entrance into the Installment Sale Agreement, and the distribution of the Official Statement.

General Bond Terms

Bond Terms. The 2025 Bonds will be dated their date of delivery and issued in fully registered form without coupons in denominations of $5,000 or any integral multiple of $5,000, so long as no 2025 Bond has more than one maturity date. The 2025 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement.

Payments. Interest on the 2025 Bonds will be payable on April 1 and October 1 of each year to maturity (each an "**Interest Payment Date**"), commencing October 1, 2025.

Interest on the 2025 Bonds will be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check or draft of the Trustee mailed by first class mail to the Owner or, at the option of any Owner of at least $1,000,000 aggregate principal amount of the 2025 Bonds with respect to which written instructions have been filed with the Trustee prior to the applicable Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books.

If there exists a default in payment of interest due on such Interest Payment Date, such interest will be payable on a payment date established by the Trustee to the persons in whose names the 2025 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered Owners of the 2025 Bonds not less than 15 days preceding such special record date.

Principal of and premium (if any) on any 2025 Bond will be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2025 Bonds will be payable in lawful money of the United States of America.

However, as long as Cede & Co. is the registered owner of the 2025 Bonds, as described below, payments of the principal of, premium, if any, and interest on the 2025 Bonds will be made directly to DTC, or its nominee, Cede & Co.

Calculation of Interest. The 2025 Bonds will be dated the Closing Date and bear interest based on a 360-day year comprised of twelve 30-day months from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is an Interest Payment Date, in which event such interest is payable from such date of authentication, and unless said date of authentication is prior to the first Interest Payment Date, in which event such interest is payable from the Closing Date; provided, however, that if, as of the date of

authentication of any 2025 Bond, interest thereon is in default, such 2025 Bond will bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

Record Date. The Indenture defines the "**Record Date**" for the 2025 Bonds as the 15th calendar day of the month preceding each Interest Payment Date.

Book-Entry Only System. The 2025 Bonds will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("**DTC**"), New York, New York, as the initial securities depository for the 2025 Bonds. Ownership interests in the 2025 Bonds may be purchased in book-entry form only. Purchasers of the 2025 Bonds will not receive physical bonds representing their ownership interests in the 2025 Bonds purchased.

Principal and interest payments with respect to the 2025 Bonds are payable directly to DTC by the Trustee. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to the beneficial owners of the 2025 Bonds. See "APPENDIX F – DTC and the Book-Entry Only System."

So long as the 2025 Bonds are registered in the name of Cede & Co., as nominee of DTC, references in this Official Statement to the "owners" mean Cede & Co., and not the purchasers or Beneficial Owners of the 2025 Bonds. See "APPENDIX F – DTC and the Book-Entry Only System."

Redemption*

Optional Redemption. The 2025 Bonds maturing on or before October 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The 2025 Bonds maturing on or after October 1, 20__, are subject to redemption in whole, or in part at the Written Request of the Authority among maturities on such basis as the Authority may designate and by lot within a maturity, at the option of the Authority, on any date on or after October 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the 2025 Bonds to be redeemed, plus accrued interest to the date of redemption, without premium

Special Mandatory Redemption from Insurance and Sale Proceeds. The 2025 Bonds are subject to mandatory redemption, on any date, in whole, or in part on a pro rata basis among maturities, from the net proceeds of insurance, sale or condemnation credited towards the prepayment of the Installment Payments by the District under the Installment Sale Agreement, at a redemption price equal to the principal amount represented thereby to be prepaid, without premium, together with accrued interest represented thereby to the redemption date.

Mandatory Sinking Fund Redemption. The 2025 Bonds maturing on October 1, 20__ and October 1, 20__ (the "**2025 Term Bonds**") are also be subject to redemption, by lot, on October 1 in each of the years as set forth in the following tables, from deposits made for such purpose pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, or in lieu thereof may be purchased, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of the 2025 Term Bonds have been redeemed pursuant to paragraphs described above, the total amount of all future payments with respect to such 2025 Term Bonds shall be reduced by the aggregate principal amount of such 2025 Term Bonds so redeemed, to be allocated among such payments in integral multiples of $5,000 as determined by the Authority (written notice of which determination shall be given by the Authority to the Trustee).

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* Preliminary; subject to change.

2025 Term Bonds Maturing October 1, 20__

Sinking Fund Redemption Date (October 1)	Principal Amount To Be Redeemed

2025 Term Bonds Maturing October 1, 20__

Sinking Fund Redemption Date (October 1)	Principal Amount To Be Redeemed

In lieu of mandatory sinking fund redemption of the 2025 Term Bonds, amounts on deposit in the Bond Fund (to the extent not required to be deposited by the Trustee in the Interest Account or the Principal Account pursuant to the Indenture during the current Bond Year) may also be used and withdrawn by the Authority, upon the Written Request of the Authority delivered to the Trustee, at any time for the purchase of such 2025 Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges and including accrued interest) as the Authority may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Authority in any twelve-month period ending on October 1 in any year shall be credited towards and shall reduce the par amount of such Term Bonds required to be redeemed pursuant to this provision on the next succeeding October 1.

Notice of Redemption. The Trustee shall mail notice of redemption of the 2025 Bonds by first class mail, postage prepaid, not less than 20 nor more than 60 days before any redemption date, to the respective Owners of any 2025 Bonds designated for redemption at their addresses appearing on the Bond Registration Books and to one or more Securities Depositories and to the Information Services. Each notice of redemption shall state the date of the notice, the redemption date, the place or places of redemption, whether less than all of the 2025 Bonds (or all 2025 Bonds of a single maturity) are to be redeemed, the CUSIP numbers and (in the event that not all 2025 Bonds within a maturity are called for redemption) 2025 Bond numbers of the 2025 Bonds to be redeemed and the maturity or maturities of the 2025 Bonds to be redeemed, and in the case of 2025 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said 2025 Bonds the redemption price thereof, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Each notice relating to a redemption pursuant to the optional redemption or special mandatory redemption provisions described above shall further state that such redemption may be rescinded by the Authority on or prior to the date set for redemption. Neither the failure to receive any notice nor any defect therein shall affect the sufficiency of the proceedings for such

redemption or the cessation of accrual of interest from and after the redemption date. Notice of redemption of 2025 Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

Notwithstanding the foregoing, while the 2025 Bonds are subject to DTC's book-entry system, the Trustee will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the District and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the 2025 Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any 2025 Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Indenture.

Rescission of Redemption and Cancellation of Redemption Notice. The Authority shall have the right to rescind any redemption pursuant to the optional redemption or special mandatory redemption provisions described above by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2025 Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Selection of 2025 Bonds for Redemption. With respect to the 2025 Bonds, whenever less than all of the 2025 Bonds of a maturity are to be selected for redemption, the Trustee shall determine, by lot, the numbers of the 2025 Bonds of such maturity to be redeemed, and shall notify the District thereof.

Partial Redemption of 2025 Bonds. Whenever provision is made in the Indenture for the redemption of less than all of the 2025 Bonds of a single maturity of the same issue, the Trustee shall select the 2025 Bonds of that maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, the Trustee shall treat each 2025 Bond as consisting of separate $5,000 portions and each such portion shall be subject to redemption as if such portion were a separate 2025 Bond.

Registration, Transfer and Exchange

Bond Registration Books. The Trustee will keep or cause to be kept at its trust office sufficient Bond Registration Books for the registration and transfer of the 2025 Bonds, which will at all times during regular business hours, and upon reasonable notice, be open to inspection by the Authority; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as provided in the Indenture.

Transfer. Any 2025 Bond may, in accordance with its terms, be transferred, upon the Bond Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such 2025 Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any 2025 Bonds under the Indenture. Whenever any 2025 Bond or 2025 Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver to the transferee a new 2025 Bond or 2025 Bonds of like series, interest rate, maturity and aggregate principal amount. The Authority shall pay the cost of printing 2025 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of 2025 Bonds.

Exchange. The 2025 Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of 2025 Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any 2025 Bonds. The Authority shall pay the cost of printing 2025 Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of 2025 Bonds.

Limitations. The Trustee may refuse to transfer or exchange, under the provisions of the Indenture, any 2025 Bonds selected by the Trustee for redemption under the Indenture, or any 2025 Bonds during the period established by the Trustee for the selection of 2025 Bonds for redemption.

DEBT SERVICE SCHEDULE

Debt Service on 2025 Bonds. Annual debt service on the 2025 Bonds is presented below, assuming no early redemptions of the 2025 Bonds.

Period Ending October 1	Principal	Interest	Annual Debt Service
2025			$1,210,345.83
2026			2,906,125.00
2027			2,909,875.00
2028			2,910,625.00
2029			2,908,375.00
2030			2,908,000.00
2031			2,909,250.00
2032			2,907,000.00
2033			2,906,125.00
2034			2,906,375.00
2035			2,907,500.00
2036			2,909,250.00
2037			2,906,500.00
2038			2,909,000.00
2039			2,906,500.00
2040			2,908,750.00
2041			2,910,375.00
2042			2,906,250.00
2043			2,906,125.00
2044			2,909,500.00
2045			2,911,000.00
Total:			$59,372,845.83

Source: Underwriter.

Debt Service on Parity Obligations. Annual debt service on the 2025 Bonds and other outstanding Parity Obligations is presented below, assuming no early redemptions.

Period Ending October 1	2015 Install. Purchase Agreement[1]	2021 Zions Loan Agreement[1]	2021 Sterling Loan Agreement[1]	2025 Bonds Debt Service	Total Parity Debt Service
2025				$1,210,345.83	
2026				2,906,125.00	
2027				2,909,875.00	
2028				2,910,625.00	
2029				2,908,375.00	
2030				2,908,000.00	
2031				2,909,250.00	
2032				2,907,000.00	
2033				2,906,125.00	
2034				2,906,375.00	
2035				2,907,500.00	
2036				2,909,250.00	
2037				2,906,500.00	
2038				2,909,000.00	
2039				2,906,500.00	
2040				2,908,750.00	
2041				2,910,375.00	
2042				2,906,250.00	
2043				2,906,125.00	
2044				2,909,500.00	
2045				2,911,000.00	
Total:				$59,372,845.83	

(1) The 2015 Installment Purchase Agreement and 2021 Sterling Loan Agreement are secured by a pledge of net revenues of all zones of the District; the 2021 Zions Loan Agreement and the 2025 Installment Sale Agreement/2025 Bonds are secured by a pledge of the Net Revenues of Zone 6 only.
Source: San Benito County Water District; Underwriter for 2025 Bonds.

SECURITY FOR THE 2025 BONDS

This section provides summaries of the security for the 2025 Bonds, and certain provisions of the Indenture and the Installment Sale Agreement. Unless the context otherwise requires, "Bonds" refers to the 2025 Bonds and any Additional Bonds that may be outstanding under the Indenture. See APPENDIX A for a more complete summary of the Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX A.

General; Limited Obligation

The 2025 Bonds are special limited obligations of the Authority and will be payable from and secured by a charge and lien on the Revenues, consisting primarily of the Installment Payments to be made by the District under the Installment Sale Agreement, and all amounts held in certain funds and accounts established and held by the Trustee under the Indenture.

Installment Payments; Pledge of Net Revenues

All of the Net Revenues are irrevocably pledged, charged and assigned to the punctual payment of the Installment Payments. Such pledge, charge and assignment constitute a lien on the Net Revenues and such other moneys for the payment of the Installment Payments in accordance with the terms of the Installment Sale Agreement, which lien is on a parity with the pledge and lien which secures the Parity Obligations. For a description of existing and potential future Parity Obligations see "– Parity Obligations" below. As used in the Installment Sale Agreement and in the Indenture, the following terms have the following respective meanings:

Net Revenues. The Indenture defines "**Net Revenues**" as, for any period, all of the Gross Revenues during such period less all of the Maintenance and Operation Costs during such period.

Gross Revenues. The Indenture defines "**Gross Revenues**" as all gross income, property tax revenue, and other monies and revenue received or receivable by the District from the ownership and operation of Zone 6, calculated in accordance with Generally Accepted Accounting Principles, including, without limiting the generality of the foregoing, (1) all taxes, rates, rent, fees, business interruption insurance proceeds, connection fees and charges, insurance proceeds and condemnation awards received by the District and all other income and revenue howsoever derived by the District from Zone 6, (2) the earnings on and income derived from the investment of amounts described in clause (1) above and from District reserves held for Zone 6, including the Rate Stabilization Fund, and (3) the proceeds derived by the District directly or indirectly from the sale, lease or other disposition of a part of Zone 6; provided, however, that (i) any specific charges levied for the express purpose of reimbursing others for all or a portion of the cost of the acquisition or construction of specific Zone 6 facilities, (ii) advances or contributions in aid of construction, (iii) grants that are designated by the grantor for a specific Zone 6 purpose (and are therefore not available for general operational purposes), (iv) customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and (v) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the District for the purpose of paying special assessment bonds or special tax obligations of the District relating to Zone 6, are not Gross Revenues and are not subject to the lien hereof. Notwithstanding the foregoing, there shall be added to Gross Revenues any amounts transferred out of the Rate Stabilization Fund and into the Revenue Fund, as contemplated by the Installment Sale Agreement.

Maintenance and Operation Costs. The Indenture defines "**Maintenance and Operation Costs**" as the reasonable and necessary costs and expenses paid or incurred by the District, payable from Gross Revenues, for maintaining and operating Zone 6, determined in accordance with Generally Accepted Accounting Principles, including but not limited to: (i) all

costs of procuring and delivering water, (ii) all utility and standby costs of Zone 6, (iii) all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve Zone 6 in good repair and working order, (iv) all administrative costs of the District that are charged directly or apportioned to the operation of Zone 6, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate Zone 6 and insurance premiums, and (v) all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms hereof; but excluding in all cases, the following: (A) debt service payable on obligations (including bonds, notes or other evidences of indebtedness, installment purchase payments under contract, and lease payments under any financing or capital lease, as determined to be such in accordance with Generally Accepted Accounting Principles) incurred by the District with respect to Zone 6, (B) depreciation, replacement and obsolescence charges or reserves therefor, (C) amortization of intangibles or other bookkeeping entries of a similar nature, and (D) costs of capital projects which under Generally Accepted Accounting Principles are chargeable to a separate capital account or to a reserve for depreciation.

Zone 6 and Other District Zones. The Indenture defines "**Zone 6**" as, collectively, the whole and each and every part of the Water System that comprises Zone 6, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to the Water System or any part thereof hereafter acquired or constructed for Zone 6; provided, that to the extent the District is not the sole owner of an asset or property or to the extent that an asset or property is used in part for Zone 6 purposes, only the District's ownership interest in such asset or property or only the part of the asset. The term "**Water System**" refers to all zones comprising the entire system of the District for the treatment, production, storage, management and distribution of water within the service area of the District.

Zone 6 is sometimes referred to by the District as the San Felipe Project or the San Felipe Distribution System, and is distinguished from Zone 1 (District Administration), Zone 3 (San Benito River System) and Zone 7 (Groundwater Sustainability Plan). Historically, Zone 6's revenues and expenditures have constituted approximately 90% to 95% of the District's total revenues and expenditures. **The Installment Payments and 2025 Bonds are secured by the Net Revenues of Zone 6 only.**

Receipt and Use of Gross Revenues under Installment Sale Agreement

Flow of Funds. The District has previously established revenue funds for each zone, which collectively comprise the District's Water Fund, which the District will continue to hold and maintain for the purposes and uses set forth in the Installment Sale Agreement. The District shall deposit all of the Gross Revenues in the appropriate zone subaccount of the Water Fund immediately upon receipt. The District shall apply amounts in the Water Fund as set forth in the Installment Sale Agreement and any resolution, trust indenture or installment sale agreement adopted, entered into or executed and delivered by the District under which Parity Obligations may be issued (collectively, "**Parity Obligations Documents**"). Amounts on deposit in the Water Fund shall be applied by the District to pay when due the following amounts in the following order of priority:

(i) all Maintenance and Operation Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs) as such Maintenance and Operation Costs become due and payable;

(ii) to the Trustee (or other recipient set forth in a Parity Obligations Document) the amount needed to pay the Installment Payments and principal of, and interest on, any Parity Obligation;

(iii) to the Trustee (or other recipient set forth in a Parity Obligations Document) the amount of any deficiency in any reserve fund established for any Bonds or Parity Obligation, the notice of which deficiency has been given to the District in accordance with the Indenture and the related Parity Obligations Documents, on a pro rata basis; and

(iv) as long as all of the foregoing payments, allocations and transfers are made at the times and in the manner set forth above, any moneys remaining in the Water Fund may at any time be treated as surplus and applied for any lawful purpose.

No Preference or Priority. Payment of the Installment Payments and the principal of and interest on any Parity Obligation shall be made without preference or priority among the Installment Payments and such Parity Obligation, it being understood that the 2015 Installment Purchase Agreement and 2021 Sterling Loan Agreement are secured by a pledge of net revenues of all zones of the District; the 2021 Zions Loan Agreement is secured by a pledge of the Net Revenues of Zone 6 only. If the amount of Net Revenues on deposit in the Water Fund is at any time insufficient to enable the District to pay when due the Installment Payments and the principal of and interest on any Parity Obligation (or payments made in accordance with any reserve account or reserve fund, including to pay any reserve insurer any amounts owed in connection with any draw on any reserve fund insurance policy), such payments shall be made on a pro rata basis according to the pledge applicable to each zone.

Receipt and Use of Revenues under Indenture

Assignment to Trustee. Under the Indenture, the Authority irrevocably transfers, assigns and sets over to the Trustee, without recourse to the Authority, all of its rights in the Installment Sale Agreement (excepting only the Authority's rights relating to indemnification and related matters), including but not limited to all of the Authority's rights to receive and collect all of the Installment Payments. The Trustee is entitled to collect and receive all of the Installment Payments, and any Installment Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and shall, subject to the provisions of the Indenture, take all steps, actions and proceedings which the Trustee determines to be reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the District under the Installment Sale Agreement.

Deposit and Use of Revenues in Bond Fund. All Revenues (consisting, primarily, of the Installment Payments) shall be promptly deposited by the Trustee upon receipt in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust; except that all moneys received by the Trustee and required under the Indenture or under the Installment Sale Agreement to be deposited in the Redemption Fund shall be promptly deposited in such fund. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. Any surplus remaining in the Bond Fund, after payment in full of (i) the principal of and interest on the 2025 Bonds or provision therefore under the Indenture, and (ii) any applicable fees and expenses of the Trustee, shall be withdrawn by the Trustee and remitted to the District.

On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

Interest Account. The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date

on all Bonds then Outstanding. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the 2025 Bonds as it comes due and payable (including accrued interest on any 2025 Bonds purchased or redeemed prior to maturity).

Principal Account. The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the 2025 Bonds coming due and payable on each October 1, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such October 1 pursuant to the Indenture. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the 2025 Bonds on their respective maturity dates, including the aggregate principal amount of the Term Bonds (if any) which are subject to mandatory sinking fund redemption on such October 1 pursuant to the Indenture.

Deposit and Use of Revenues in Redemption Fund. The Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit a portion of the Revenues received representing optional prepayments of the Installment Payments, in accordance with a Written Request of the Authority. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and premium (if any) of the 2025 Bonds to be redeemed under the optional redemption or special mandatory redemption provisions of the Indenture; *provided, however*, that at any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed under a Written Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the 2025 Bonds.

No Reserve Fund

No debt service reserve fund is being funded for the 2025 Bonds.

Rate Stabilization Fund

The District has previously established a rate stabilization fund (the "**Rate Stabilization Fund**"). From time to time the District may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues that are released from the pledge and lien, which secures the Installment Payments and any Parity Obligation, as the District may determine.

The District may, but is not required to, withdraw from any amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Water Fund within 210 days following the end of any Fiscal Year for the purpose of paying Debt Service coming due and payable in such Fiscal Year. Amounts so transferred from a Rate Stabilization Fund to the Water Fund will constitute Gross Revenues for the applicable Fiscal Year (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the District in such Fiscal Year), and will be applied for the purposes of the Water Fund. Amounts on deposit in a Rate Stabilization Fund will not be pledged to or otherwise secure the Installment Payments or any Parity Obligation. All interest or other earnings on deposits in a Rate Stabilization Fund will be withdrawn therefrom at least annually and accounted for as Gross Revenues in the Water Fund. The District has the right at any time to withdraw any or all amounts on deposit in a Rate Stabilization Fund and apply such amounts for any lawful purposes of the District.

The District does not currently have any amounts set aside in the Rate Stabilization Fund, but does maintain other reserves related to the Water System. See "THE WATER SYSTEM AND ZONE 6 – Funds and Reserves."

Rate Covenants

Sum Sufficient Based on Gross Revenues. Under the Installment Sale Agreement, the District will fix, prescribe, revise and collect charges for Zone 6 during each Fiscal Year that are at least sufficient, after making allowances for contingencies and error in the estimates, to produce Gross Revenues which will be sufficient to pay the following amounts:

(a) all Maintenance and Operation Costs of Zone 6 estimated by the District to become due and payable in such Fiscal Year;

(b) the Installment Payments and Debt Service on any Parity Obligation;

(c) all other payments required for compliance with the Installment Sale Agreement, the Indenture and the Parity Obligations Documents; and

(d) all payments required to meet any other obligations of the District that are charges, liens, encumbrances upon or payable from the Gross Revenues of Zone 6 or the Net Revenues of Zone 6.

Debt Service Coverage Based on Net Revenues (120%). In addition, under the Installment Sale Agreement, the District will fix, prescribe, revise and collect charges for Zone 6 during each Fiscal Year which are sufficient to yield Net Revenues at least equal to 120% of the Installment Payments and Debt Service on the other Parity Obligations in such Fiscal Year. For purposes of this paragraph, the amount of Net Revenues for a Fiscal Year will be computed on the basis that any transfers into the Water Fund in such Fiscal Year from the Rate Stabilization Fund are included in the calculation of Net Revenues (except to the extent of amounts transferred into the Rate Stabilization Fund from Gross Revenues received by the District in such Fiscal Year), as provided in the Installment Sale Agreement.

Rate Covenants for Existing Parity Obligations. The rate covenant in the 2021 Zions Loan Agreement, which is calculated based on the Net Revenues of Zone 6 only, requires the District to maintain Net Revenues of at least 120% of debt service on the 2021 Zions Loan Agreement payment obligation and parity obligations (as defined therein). The rate covenants in the 2021 Sterling Loan Agreement and the 2015 Installment Purchase Agreement, which are calculated based on the net revenues of the entire Water System (not just Zone 6), requires 120% debt service coverage and 115% debt service coverage, respectively.

Parity Obligations

Existing Parity Obligations. The parity debt requirement in the 2021 Zions Loan Agreement requires the District to maintain Net Revenues of at least 120% of maximum annual debt service on the 2021 Zions Loan Agreement payment obligation and parity obligations (as defined therein). The parity debt requirements in the 2021 Sterling Loan Agreement and the 2015 Installment Purchase Agreement, which are based on net revenues of the entire Water System (not just Zone 6), requires 120% maximum annual debt service coverage and 115% maximum annual debt service coverage, respectively.

Additional Parity Obligations. Under the Installment Sale Agreement, the District may issue or incur other loans, advances or indebtedness payable from the Net Revenues on a parity basis with the Installment Payments in the future, subject to the following specific conditions (in

addition to the conditions in the 2015 Installment Purchase Agreement, 2021 Zions Loan Agreement and 2021 Sterling Loan Agreement so long as those obligations are outstanding) that are made conditions precedent to the issuance and delivery of such Parity Obligation:

(a) The District is in compliance with all covenants set forth in the Installment Sale Agreement and in the Indenture.

(b) The Net Revenues (defined with respect to Zone 6 only), calculated on generally accepted accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent 12-month period selected by the District ending not more than 60 days prior to the adoption of the Parity Obligations Document pursuant to which such Parity Obligation are issued, as shown by the books of the District, plus, at the option of the District, any or all of the items hereinafter in this paragraph designated (i) and (ii), must at least equal 120% of Maximum Annual Debt Service, with Maximum Annual Debt Service calculated on all bonds and other obligations to be outstanding immediately subsequent to the issuance of such Parity Obligation which have a lien on said Net Revenues of Zone 6. The items any or all of which may be added to such Net Revenues for the purpose of issuing or incurring Parity Obligation under the Indenture are the following:

(i) An allowance for Net Revenues from any additions to or improvements or extensions of Zone 6 to be made with the proceeds of such Parity Obligation, and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of such Fiscal Year or such 12-month period, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown in the written report of an Independent Consultant engaged by the District; and

(ii) An allowance for revenues projected to arise from any increase in the rates and charges which has been approved by the District Board of Directors prior to the incurring of such additional indebtedness but which, during all or any part of such Fiscal Year or such 12-month period, was not in effect, in an amount equal to the amount by which the Net Revenues would have been increased if such increase in the rates and charges had been in effect during the whole of such Fiscal Year or such 12-month period, all as shown in the written report of an Independent Consultant engaged by the District. For the avoidance of doubt, a Charge shall be considered to have been approved by the District Board of Directors and may be considered in the calculation of the allowance described in the previous sentence if the Charge is part of a multi-year rate increase that has been approved by the Board of Directors of the District, even if the specific charge will not take effect until a subsequent Fiscal Year.

(c) Notwithstanding the foregoing, Parity Obligation proposed to be issued for the purpose of refunding any Parity Obligation may be issued without compliance with subsection (b), so long as such refunding results in lower Debt Service in each Fiscal Year after such refunding and the final maturity (or termination) date of the refunding Parity Obligation is no later than the final maturity (or termination) date of the refunded Parity Obligation. For clarity, Parity Obligations may or may not be secured by a debt service reserve fund.

As used above, "**Maximum Annual Debt Service**" means, as of the date of calculation, the maximum amount of Debt Service for the current or any future Fiscal Year. The calculation of "**Debt Service**" is set forth in APPENDIX A.

No Senior Debt

The District covenants in the Installment Sale Agreement to not issue or incur any additional bonds or other obligations during the term thereof having any priority in payment of principal or interest out of the Net Revenues over the Installment Payments. However, this covenant does not limit or affect the ability of the District to issue, enter into or incur additional Parity Obligation as described above, or obligations which are either unsecured or which are secured on a basis which is junior and subordinate to the pledge of and lien upon the Net Revenues established under the Installment Sale Agreement.

Casualty Insurance and Eminent Domain Proceeds

Covenant to Maintain Insurance. The District covenants that it will at all times maintain such insurance on the facilities of Zone 6 as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties.

Insurance Proceeds. All amounts collected from insurance against accident to or destruction of any portion of facilities of Zone 6 shall be used to repair or rebuild such damaged or destroyed portion, and to the extent not so applied, shall be applied to redeem Bonds or any Parity Obligation in accordance with the Indenture and applicable Parity Obligations Documents.

Eminent Domain Proceeds. If all or any part of the facilities of Zone 6 are taken by eminent domain proceedings, the Net Proceeds realized by the District therefrom will be deposited by the District in a special fund in trust and applied by the District to the cost of acquiring or constructing or financing Improvements to Zone 6, or to redeem Bonds or any Parity Obligation in accordance with the Indenture and applicable Parity Obligations Documents.

BOND INSURANCE

[To come, if applicable]

THE AUTHORITY

The Authority was created by the District and the California Statewide Communities Development Authority pursuant to a Joint Exercise of Powers Agreement, dated as of November 1, 2024, for the purpose, among others, of having the Authority issue its bonds to finance the acquisition, construction and improvement of public capital improvements in the District. The members of the Board of Directors of the District serve as the governing board of the Authority, and certain District staff serve as the officers of the Authority. The Joint Exercise of Powers Agreement was entered into under Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. The Authority is a separate entity constituting a public instrumentality of the State of California.

THE DISTRICT

Overview

The District is located in the County of San Benito (the "**County**") in the State of California (the "**State**"). The District was formed in 1953 by the San Benito County Water Conservation and Flood Control Act. At that time, the District merged with the Hollister Irrigation District, becoming the successor to the water rights, water facilities and land interests of the Hollister Irrigation District. The name was changed from San Benito County Water Conservation and Flood Control District to San Benito County Water District in 1988.

The District has broad powers for the conservation and management of water (flood, surface, drainage, and groundwater) within its service area, including the development of local water supplies and the development and importation of water supplies from outside the County. The District's service area encompasses all of the County, covering an area of approximately 1,400 square miles and a population of approximately 68,700, and with respect to its Zone 7 activities only, serves areas in Santa Clara County as well. For background, demographic and economic information regarding the County and the City of Hollister located therein, see APPENDIX D.

Service Areas/Zones

The District provides water service and water related services through zones of benefit. Current zones of benefit are:

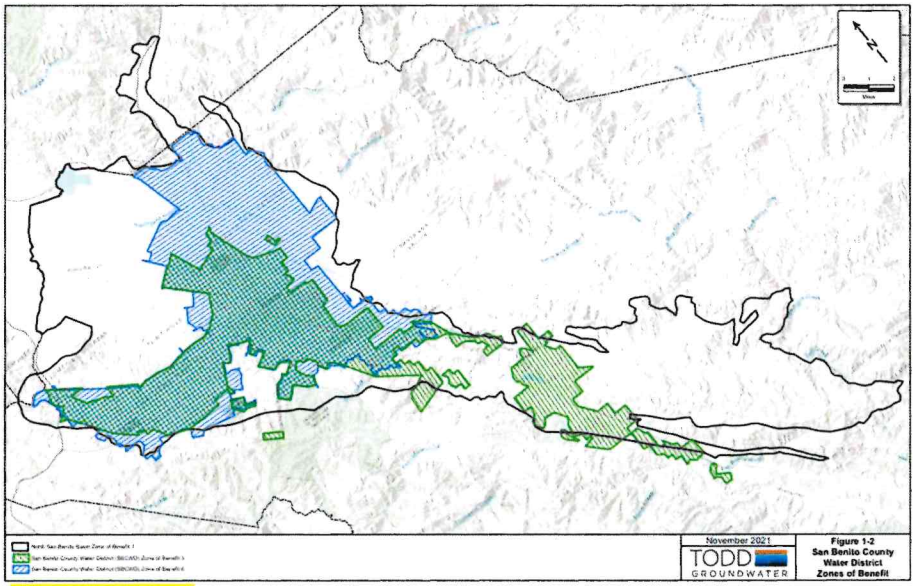
- District Administration (Zone 1)
- San Benito River System (Zone 3)
- San Felipe Project (Zone 6)
- Groundwater Sustainability Plan (Zone 7)

"**Zone 6**" is the zone of benefit for the area of the County that receives imported water from the Central Valley Project ("**CVP**"). The Installment Payments securing the 2025 Bonds are secured by the Net Revenues of the District attributable to Zone 6 only. Zone 6 is sometimes referred to by the District as the San Felipe Project or the San Felipe Distribution System, and is distinguished from Zone 1 (District Administration), Zone 3 (San Benito River System) and Zone 7 (Groundwater Sustainability Plan). Historically, Zone 6's revenues and expenditures have constituted approximately 90% to 95% of the District's total revenues and expenditures.

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The following map depicts, geographically, the District's zones of benefit.

Map of Zones of Benefit of
San Benito County Water District



[Add Labels/Legend]

Governance and Employees

The District is governed by an elected five member Board of Directors, and administered by the General Manager and other key District staff.

Board of Directors. Board members are elected for four-year terms from divisions that are coterminous with the supervisory districts of San Benito County. Directors must be a resident of, and a registered voter in the division they represent. Members begin service in December of even numbered years. The current Board members are as follows.

Member Name	Role	District Division
Doug Williams	President	Division 4
Mark Wright	Vice President	Division 1
Sonny Flores	Director	Division 5
Joe Tonascia	Director	Division 3
John Freeman	Director	Division 2

Board members represent the District on various boards and multi-agency committees, including the San Luis & Delta Mendota Water Authority (2 seats), Association of California Water Agencies – Joint Powers Insurance Authority, Pajaro River Watershed Flood Prevention Authority, Water Resources Association of San Benito County, and Urban Area Water and Wastewater Master Plan Governance Committee (2 seats).

Key District Staff. Key District staff include the General Manager and the Assistant General Manager. Brief biographies follow.

Dana Jacobson, General Manager. Mr. Jacobson was appointed General Manager of the District in September 2024. Prior to that time, he served as Senior Water Resources Specialist for the Santa Clara Valley Water District. He has more than 20 years of experience in the water business in California.

Brett Miller, Assistant General Manager. Mr. Miller was appointed Assistant General Manager of the District in October 2024, having served in that role in an interim capacity before then. Prior to joining the District, he served in various roles, including City Manager, Assistant City Manager, and Administrative Services Director, for the City of Hollister. Mr. Miller has more than 30 years of experience with California public agencies.

Employees. The District has 23 full-time equivalent employees (FTEs), serving the following functions: administration and finance, engineering, operations and maintenance, and water conservation. The District believes its relations with its employees is good.

CalPERS Pension Plan

Plan Description and Benefits. All qualified employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, which is a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System ("**CalPERS**"). The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment.

Net Pension Liability. As of June 30, 2024, the District's proportionate share of net pension liability in its CalPERS retirement plans was $637,709.

Additional Information. For additional information about the District's defined benefit pension plan, including information concerning contributions and net pension liability, see Note 9 in APPENDIX B – "AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2024 – Employee Retirement Plans."

Other Post-Employment Benefits (OPEB)

Plan Description and Benefits. In 2000, the District joined the Public Employees' Medical & Hospital Care Act ("**PEMHCA**"), which is an agent multiple-employer plan administered by CalPERS. The healthcare plan which provides medical insurance benefits to active and eligible retirees and their families accordance with memoranda of understanding with employee groups and adoption by the District Board. The District currently provides PEMHCA post-retirement healthcare benefits to all full-time employees who retire directly from the District after the age of 55 years and with at least 5 years of CalPERS service. The Minimum Employer Contribution amount is prescribed by Government Code Section 22892 of the PEMHCA. In addition, the District provides supplemental contributions to all employees who retire directly from the District combined with a regular service retirement through CalPERS. Employees must be at least 55 years of age and have a minimum of 10 years of District service at retirement.

Net OPEB Asset. As of June 30, 2024, the District had a net OPEB liability of $(75,038), meaning the District was over-funded with respect to its projected OPEB obligations in the amount of $75,038.

Additional Information. For additional information about the District's OPEB, including information concerning contributions and net OPEB liability, see Note 11 in APPENDIX B – "AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2023 – Other Post-Employment Benefits."

Insurance Coverage

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. In an effort to manage its risk exposure, the District is a member of Association of California Water Agencies Joint Powers Insurance Authority ("**ACWA/JPIA**"). The ACWA/JPIA is a risk-pooling self-insurance authority, created under provisions of California Government Code Section 6500 et seq. As part of this service, risk management guidelines are established and regularly reviewed by ACWA/JPIA. For additional information on coverages and deductibles, see Note 12 in APPENDIX B – "AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2024 – Risk Management."

THE WATER SYSTEM AND ZONE 6

Overview

The District operates through various service areas/zones. "**Zone 6**" is the zone of benefit for the area of the County that receives imported water from the CVP, and is sometimes referred to by the District as the San Felipe Project or the San Felipe Distribution System, and is distinguished from Zone 1 (District Administration), Zone 3 (San Benito River System) and Zone 7 (Groundwater Sustainability Plan).

The "**Water System**" as used herein refers to all zones of the District, which comprises the entire system of the District for the treatment, production, storage, management and distribution of potable water and recycled water within the service area of the District.

Historically, Zone 6's revenues and expenditures have constituted approximately 90% to 95% of the District's total revenues and expenditures. **The Installment Payments and 2025 Bonds are secured by the Net Revenues of Zone 6 only.**

San Benito Water Supply

Primary Water Sources. The primary water sources for the County are (1) imported water through the CVP, (2) local groundwater, (3) local surface water and reservoirs, and (4) recycled water from the City of Hollister's Water Reclamation Facility. Additionally, from time to time, the District participates in transfers or purchases of water from other agencies.

Surface Water Systems. There are two primary surface water systems in the County: (1) the San Felipe Project and San Felipe Distribution System, which imports, stores and distributes imported CVP water to Zone 6 customers, and (2) the San Benito River System, which collects, stores and distributes locally-sourced water for groundwater recharge.

Groundwater Usage. The District does not currently pump any groundwater. However, groundwater pumping is undertaken by private landowners within the District and the two

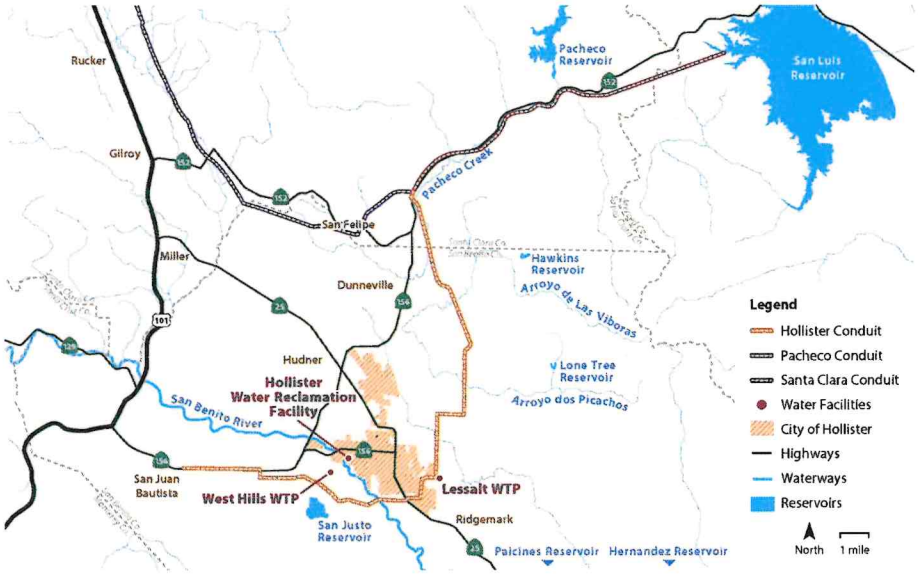
wholesalers of water that work with the District: the City of Hollister and Sunnyslope County Water District. There are currently approximately 473 active agricultural wells and 705 active domestic wells in the County. See "– Water Supplies and Treatment" for additional details on the District's two water wholesalers.

Recycled Water. The City of Hollister's Water Reclamation Facility has produced recycled water since 2016. Currently, the recycled water is used for the City of Hollister's landscape irrigation and purchased by some agricultural customers within the County.

Water System Facilities

The District currently maintains 3 open reservoirs, 4 pumping stations, 171 miles of pipeline, 2 water treatment plants, 9 subsystem valve and control structures, and 4 percolation valve and control structures. Some of the facilities are owned by the United States Bureau of Reclamation ("**USBR**"), and the District operates and maintains the facilities by itself or in conjunction with the Santa Clara Valley Water District ("**SCVWD**"). Other facilities are owned by the District. San Luis Reservoir is owned by USBR and managed by the California Department of Water Resources ("**DWR**") under contract with USBR. A map showing the various facilities of the District follows.

Map of Water System Facilities of San Benito County Water District



USBR-Owned Facilities Operated and Maintained Solely by District

- San Justo Reservoir, which stores imported CVP water
- Hollister Conduit, which transfers imported CVP water to San Justo Reservoir and delivers untreated CVP water to certain agricultural customers along the way
- San Juan Lateral, which connects San Justo Reservoir to the District's two water treatment plants

USBR-Owned Facilities Operated and Maintained by District and SCVWD

- San Felipe Reach 1 facilities (consisting of the Pacheco Pumping Plant, Pacheco Tunnel and Pacheco Conduit), which transfers imported CVP water from San Luis Reservoir (owned by USBR and managed by DWR) to the Hollister Conduit

District-Owned Facilities

- San Felipe Distribution System (Zone 6) facilities, consisting of 4 pumping stations (20 total pumps), 9 subsystem valve and control structures, 4 percolation valve and control structures, San Felipe subsystem pipelines, and recycled water pipelines

- San Benito River System (Zone 3) facilities, consisting of the Hernandez Reservoir, Paicines Reservoir, Paicines Canal, Paicines Canal Diversion facilities (Milton Diversion Dam, Hill Gate and Sand Gate), and Dos Picachos Diversion

- Lessalt Water Treatment Plant and West Hills Water Treatment Plant, both operated under contract by Sunnyslope County Water District

Reservoirs. The District maintains three above-ground reservoirs (Hernandez, San Justo and Paicines), which hold approximately 31,000 acre-feet combined. San Justo Reservoir (10,300 acre-feet of capacity) is used to store imported CVP water, as described below under "– Water Supplies and Treatment." Hernandez Reservoir (17,300 acre-feet of active capacity; 11,500 acre-feet of flood capacity) captures water from the highest peak in the County (San Benito Mountain) and (together with Paicines Reservoir) helps the District to recharge the urban groundwater basin by releasing water from the reservoir into the San Benito River. Paicines Reservoir (3,335 acre-feet of capacity) captures natural runoff and re-diversion from Hernandez Reservoir releases. **Only San Justo Reservoir serves Zone 6**.

Water Treatment Plants. The District owns two surface water treatment plants (Lessalt Water Treatment Plant and West Hills Water Treatment Plant) that deliver drinking water to Sunnyslope County Water District and the City of Hollister. The District is also currently working on a contract to provide drinking water to San Juan Bautista, as described herein. The District's two surface water treatment plants treat CVP water and are managed by Sunnyslope Water District under contract with the District. See "– Zone 6 Water Treatment" below for additional details.

Surface Water Systems. As noted above, the District operates two surface water systems: (1) San Benito River System (Zone 3) and (2) San Felipe Project and Distribution System (Zone 6). The San Benito River System diverts and stores locally-sourced surface water for percolation into the groundwater basin. The San Felipe Project and Distribution System imports, stores and distributes imported CVP water, as described in more detail below.

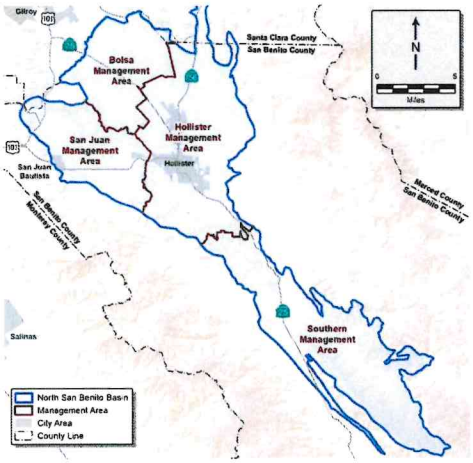
Groundwater Basin Management

The District serves as the Groundwater Sustainability Agency ("**GSA**") for the North San Benito Basin, through its Zone 7 benefit zone. As permitted by the Sustainable Groundwater Management Act ("**SGMA**"), the District's Zone 7 benefit zone extends over the portion of the County, as well as a portion of nearby Santa Clara County, that overlays the North San Benito Basin. In its role as the GSA, it is required to balance pumping and recharge to ensure reliable water quality and sustainability in the basin. In 2022, the North San Benito Groundwater Basin Sustainability Plan (the "**Plan**") was completed. Under the Plan, the Bolsa, Hollister, San Juan Bautista and Tres Pinos groundwater basins were consolidated into the North San Benito Groundwater Basin, labeled a sub-basin of the Gilroy-Hollister Valley Groundwater Basin, and designated as a "medium priority" basin by the State Department of Water Resource ("**DWR**").

This means the basin was recognized as a well-managed and not critically over-drafted basin. One distinguishing characteristic of the basin is the high mineral content of the water in the aquifer, which requires recharge and imported CVP water for water quality to be improved, as described below.

The following map depicts the Zone 7 benefit zone and related groundwater basin area.

Map of North San Benito Basin and San Benito County Water District Zone 7



Zone 6 Water Supplies

USBR Contract Entitlements. The District manages the federal contract with the USBR for delivery of water through the San Felipe Division of the CVP for Zone 6 customers. The total contract entitlement is 43,800 acre-feet of water per year (35,550 acre-feet for agricultural customers and 8,250 acre-feet for Municipal and Industrial ("**M&I**") customers).

2021 USBR Contract Modification. In 2021, the District converted its USBR contract from a water service contract to a permanent repayment contract, with no expiration date. At that time, the District paid off its share of the capital costs associated with the "in-basin" CVP facilities, which are those facilities located in the Central Valley that are needed to produce and convey CVP water to the District. The District remains responsible for its share of O&M costs for the in-basin facilities, which are paid on a per acre-foot basis on all water delivered. Capital repayment for the San Felipe Division facilities continues to occur through the District's CVP contract. Total payments will be approximately $99 million, with $69 million still outstanding and payable through January 1, 2036.

USBR Annual Allocations. The USBR allocates a percentage of the contract entitlement each year, based on availability of water for that year (due to drought, storage capacity and/or environmental issues in the Sacramento-San Joaquin Delta). In recent years, drought conditions and mandatory conservation standards resulted in significant drops in imported CVP water deliveries, some of which had disproportionate impacts on agricultural users.

When imported CVP water deliveries are curtailed, increased groundwater pumping by landowners, the City of Hollister and Sunnyslope County Water District and reservoir releases by

the District help balance supply and demand. It is estimated that the groundwater basin has approximately 500,000 acre-feet of storage capacity, with a safe yield range of 40,000 to 54,000 acre-feet per year.

Zone 6 Customer Base; Wholesale Customers

As of June 30, 2024, there were approximately 2,684 accounts, of which 1,265 were agricultural accounts, 908 were domestic accounts, 409 were small-parcel accounts66 were M&I accounts and 36 were recycled water accounts. The two wholesale customers of the District – the City of Hollister and Sunnyslope County Water District – are the largest accounts, accounting for 24% of total water deliveries and 39% of Zone 6 operating revenues for Fiscal Year 2023-24. The City of Hollister currently delivers water to approximately 7,500 retail accounts, while the Sunnyslope County Water District also currently delivers water to approximately 7,500 retail accounts. An intertie connects the City of Hollister and Sunnyslope County Water District water systems for redundancy purposes. See "– Water Supply and Deliveries" below for additional details on water supplies and deliveries by the District.

Zone 6 Water Treatment

Overview. With the execution of the Hollister Urban Area Water Supply and Treatment Agreement ("**HUWSTA**") in 2013, by and among the District, the City of Hollister, and Sunnyslope County Water District, the District became the owner of the upgraded Lessalt Water Treatment Plant and began design and construction of the West Hills Water Treatment Plant which was completed in October 2017. This agreement marked the beginning of the District providing wholesale treated drinking water to the City of Hollister and Sunnyslope County Water District.

Lessalt Water Treatment Plant. The Lessalt Water Treatment Plant was placed into operation in 2003 and was upgraded in 2015. It treats imported CVP water delivered via the Hollister Conduit for customers within the City of Hollister and Sunnyslope County Water District. Water treated at the Lessalt WTP undergoes greensand, membrane filtration, granular activated carbon ("**GAC**") filtration, and disinfection. The plant has a rated capacity of 2.0 mgd (and a short-term production capacity of up to 2.5 mgd).

West Hills Water Treatment Plant. The West Hills Water Treatment Plant was placed into operation in 2017. It treats imported CVP water delivered from the San Justo Reservoir for customers within the City of Hollister. Water treated at the West Hills WTP undergoes ballasted flocculation, dual media gravity filtration, and disinfection. The plant has a current capacity of 4.5 mgd (and is designed for expansion to an ultimate maximum capacity of 9.0 mgd).

Water Supply and Treatment Agreement. Pursuant to a Water Supply and Treatment Agreement ("**WS&T Agreement**"), dated May 29, 2013, the District supplies surface water to the City of Hollister and Sunnyslope County Water District for treatment at the two water treatment plants, which are both owned by the District and operated by Sunnyslope County Water District pursuant to a separate agreement. The WS&T Agreement has an initial term of 30-years (extending to 2043), with subsequent 10-year renewal options thereafter. The key components of the WS&T Agreement are as follows:

- The District will deliver 4,760 acre-feet of treated (potable) water annually at an average rate of 4.25 million gallons per day (mgd) and a maximum rate of 6.5 mgd

- By each March 1, the District provides an estimate of water availability and, by each March 15, the City of Hollister and Sunnyslope County Water District each provide an estimate of water demand

- The District charges the City of Hollister and Sunnyslope County Water District for the cost of imported CVP water, treatment plant operating and maintenance costs and a capital component for costs of building and expanding the treatment plants

Proposed Amendments to WS&T Agreement. The District is currently negotiating amendments to the WS&T Agreement for four primary purposes: (1) updating the quantity of water to the wholesale providers, (2) allocating costs related to water treatment plant improvements, (3) allocating costs related to ADRoP, and (4) connecting the City of San Juan Bautista to the treatment plants. No assurance can be given that the amendment document will be adopted; unless and until the amendment document is adopted by all involved parties, the parties will continue operating under the existing WS&T Agreement. Additional details about the proposed amendments follow.

Updating Quantity of Water Delivered to Wholesale Providers. The District would agree to deliver to the Lessalt WTP and West Hills WTP an aggregate of 4,760 acre-feet annually of untreated water for treatment and subsequent delivery to the wholesale providers for distribution to their M&I customers. The District would have flexibility in the sources of the water it delivered, but would provide by March 1 of each year a written projection of the quantities from each source. There may be a minimum purchase/take-or-pay commitment from each wholesale provider.

Allocating Costs Related to Water Treatment Plant Improvements. The District would advance $34 million to fund certain capital improvements to the two treatment facilities, with such amount to be repaid by the wholesale providers over-time. The operation and maintenance costs of the two treatment plants would continue to be governed by the O&M Agreement (described below).

Allocating Costs Related to ADRoP. The District would be responsible for constructing additional capital improvements required for the treatment facilities and ADRoP, to be repaid by the wholesale providers over-time. Once completed, the component of ADRoP related to the expansion of the West Hill WTP to accommodate an increased supply capacity of 6.75 mgd would be operated and maintained pursuant to the O&M Agreement (described below), while the component of ADRoP related to the five wells would be operated and maintained under a separate operation and maintenance agreement to be executed by the parties at a later date.

Connecting City of San Juan Bautista. A transmission pipeline would be built to provided treated water to the City of San Juan Bautista's area of service, at an estimated cost of approximately $7.7 million, with the City of San Juan Bautista making a capital contribution to buy-in to the District's treatment plant capacity with an estimated 5-8% share. The final terms of that arrangement would be subject to a separate agreement. From the District's perspective, the City of San Juan Bautista "buying-in" to the current Zone 6 water system would be cost-neutral to the District and its customers.

Agreement for Operation and Maintenance Services. Pursuant to the Hollister Urban Area Agreement for Operation and Maintenance Services, dated August 14, 2013 (the "**O&M Agreement**"), Sunnyslope County Water District operates both the Lessalt WTP and West Hills WTP for the District. The Agreement was initially executed on August 14, 2013 and, given a recent 5-year renewal, remains in effect through August 14, 2028.The key components of the O&M Agreement are as follows:

- The District is responsible for implementing capital improvements to both plants, including financing and constructing such improvements pursuant to the WS&T Agreement.

- The District is responsible for costs of delivering untreated water to both plants; all other operation and maintenance costs are the responsibility of Sunnyslope.

- On or before April 1 of each year, Sunnyslope County Water District must submit to the District a budget for the upcoming fiscal year, specifying amount of operation and maintenance expenses required; comments may be submitted and a final budget must be approved by June 30.

- The District pays Sunnyslope County Water District, on a monthly basis, all operation and maintenance costs to treat the water at the two plants and to deliver treated water to the City of Hollister's and Sunnyslope County Water District's respective distribution systems.

Water Quality and Regulatory Matters

Treatment Plant Permits. Operation of the District's two treatment plants is regulated by District 05 (Monterey District) of the State Water Resources Control Board. Sunnyslope County Water District is responsible for compliance with this permit, in its capacity as operator of the plants.

Separately, the City of Hollister operates its wastewater treatment plant, which produces recycled water for the District's service area, under a regulated permit.

Water Quality. The North San Benito groundwater basin is characterized by high mineral content, which requires recharge and imported CVP water for water quality to be improved. In addition, the District, Hollister and Sunnyslope are addressing the new California hexavalent chromium (drinking water standard of 10 parts per billion (ppb) by testing water sources and, where necessary, implementing blending or treatment solutions.

Invasive Species. Zebra mussel infestations have been found in the San Justo Reservoir since 2008 and more recently in the Hollister Conduit. These mussels can clog pipelines and reduce the flow of CVP water to District customers. The District manages the water level in the San Justo Reservoir during summer months, in cooperation with USBR and the California Department of Fish & Game, to minimize disruptions. More recently, golden mussels have been discovered in the Sacramento-San Joaquin Delta, which could lead to additional issues for the District's CVP water supply infrastructure in the future.

Future Water Supply Projects

The District is planning various capital improvement projects focused on increasing water supply and reliability. A description of the key projects follows.

ADRoP. The net proceeds of the 2025 Bonds will be used for the ADRoP project, which addresses the water supply deficit in the San Benito Urban Area ("**SBUA**"). ADRoP will have the capacity to inject, store, and recover up to 2,700 acre-feet-per-year of water through the construction of five Aquifer Storage and Recovery ("**ASR**") wells, the expansion of the West Hills WTP, and the installation of pipelines for water transmission. The ADRoP project addresses the water supply deficit in the SBUA. In dry years, the SBUA relies mainly on groundwater and costly spot market water purchases to meet Municipal and Industrial demands. ADRoP is designed to capture excess CVP water in "wet years" and store it in the aquifer for later use during drought or

"dry years." The ADRoP project is intended to improve water quality, promote sustainability, and improve the resilience of the groundwater basin.

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The District currently projects that the total cost of the ADRoP project will be approximately $60 million, of which $20 million will be provided by grant funding.

B.F. Sisk Dam Raise and Reservoir Expansion Project. USBR and the SLDMWA are jointly developing the B.F. Sisk Dam Raise and Reservoir Expansion Project. This project will raise the existing B.F. Sisk Dam by 10 feet and increase the storage capacity of San Luis Reservoir by 130,000 acre-feet. This project is separate and distinct from the B.F. Sisk Safety of Dams Modification Project, which is being undertaken concurrently by USBR and DWR to address seismic risks of the existing dam but will not increase the storage capacity.

It is anticipated that SLDMWA will enter into a series of agreements with USBR for the lease of a portion of this new storage capacity. Under the current arrangement, SLDMWA would be responsible for 70% of all project costs and would receive 70%, or 91,000 acre-feet, of the new capacity. USBR would retain the remaining 30% for its use. The District's participation in the project would occur through an activity agreement with SLDMWA. The District has tentatively reserved 5,297 acre-feet of storage capacity for planning purposes. If the District maintains this level of participation, it would be responsible for a share of the capital costs and its pro-rata share of operating costs once the facility is in service. At a mid-point, the cost of construction has an estimated cost of approximately $1.1 billion, which would result in the District's capital cost of approximately $40 million. The costs for this project would be recovered through a capacity fee assessed on new development in the County, which fee would need to be approved in the future.

The B.F. Sisk Dam Raise Project is intended to increase the reliability of water supplies from the CVP, which have been impacted by increasingly stringent regulatory criteria and changing climatic conditions. The District could store wet year water and spot market purchases in its share of storage for later use when conditions are drier. The project would also provide the District an opportunity to divert and store surplus CVP water that is available through the District's existing CVP contract but currently can't be stored because of limited storage capability.

Pacheco Reservoir Expansion Project. The Pacheco Reservoir Expansion project includes construction of a new dam a short distance upstream from the existing dam and a pipeline to connect the dam to the existing Pacheco Conduit. The participating agencies are the District, SCVWD and Pacheco Pass Water District. The project would expand the reservoir from 6,000 to 140,000 acre-feet and deliver water supply, water quality, and ecosystem benefits to the region. In June 2018, the Board approved a Memorandum of Agreement ("**MOA**") with SCVWD that outlines the terms for moving forward with the project.

Originally the MOA included 2 major agreements that needed to be completed within two years of the signing of the agreement, an allocation of benefits agreement and a provisional operating agreement. In addition, the MOA called for the District to determine within two years its participation level ranging from 0% - 10%. The date for the allocation of benefits and operating agreement has been delayed. The District will continue to review its level of participation as the project moves forward.

In July 2018, the DWR announced that the Pacheco Reservoir Expansion project would receive the full funding request of $485 million through a Proposition 1 grant naming SCVWD as grantee. Additional federal and state funding would be pursued as the project moves forward. The total project cost is currently estimated to be approximately $2.5 billon.

ZONE 6 FINANCIAL INFORMATION

Top Ten Customers

The following table shows the top ten customers of the Water System generally (and Zone 6 specifically) for Fiscal Year 2023-24.

Table 1
San Benito County Water District
Top Ten Customers – Fiscal Year 2023-24

No.	Customer	Total Water Usage (AF)	% of Total Water Sales	Total Zone 6 Water Sales	% of Zone 6 Water Sales	% of Total Zone 6 Operating Revenues
1	Wholesale Providers[1]	4,659	24%	$6,131,106	40%	39%
2	Taylor Farms	2,754	14%	815,754	5%	5%
3	Fairview Farming	1,001	5%	295,330	2%	2%
4	Sabor Farms	875	5%	258,614	2%	2%
5	Dobler & Sons	762	4%	225,531	1%	1%
6	Topflavor Farms	748	4%	221,787	1%	1%
7	Filice Farms	741	4%	218,478	1%	1%
8	Tonascia Farms	472	2%	139,815	1%	1%
9	San Felipe Farms	415	2%	122,795	1%	1%
10	J./M. Tobias	268	1%	79,326	1%	1%
	Top 10 Subtotal	**12,696**	**66%**	**$8,508,535**	**55%**	**55%**
	Total Water Delivered (AF)	*19,107*				
	Total Zone 6 Operating Revenue less Groundwater Charges			*$15,440,472*		
	Groundwater and Other Charges			*156,529*		
	Total Zone 6 Operating Revenue			*$15,597,001*		

(1) Wholesale providers of treated CVP water in Zone 6 are City of Hollister and Sunnyslope County Water District. The District is in discussions with the City of San Juan Bautista to become a third wholesale provider. See "– Zone 6 Water Treatment."
Source: San Benito County Water District.

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Water Rates and Charges

Overview. The District uses rates and charges to recover current operating, maintenance and interest costs related to water service from current users as required of a public enterprise agency, and as authorized by the voters of Zone 6 on November 8, 1977. This approval included the ad valorem property tax levied and collected for the District within Zone 6 described under "– Property Tax Revenues," below.

The District Board adopts rates and charges for non-wholesale customers pursuant to the process required by Proposition 218. See "BOND OWNERS' RISKS – Proposition 218." Various components of the water rates charged by the District to its non-wholesale customers in Zone 6 are pass-through costs from other agencies, including SLDMWA and SCVWD.

Zone 6 Water Rate Study (2023). In 2023, Raftelis and Water Resources Economics jointly delivered their final report entitled, "Zone 6 Water Rate and Capacity Fee Study," to the District (the "**2023 Water Rate Study**"). The 2023 Water Rate Study had the following objectives:

- Develop financial plans for the water enterprise to ensure financial sufficiency, meet operation and maintenance (O&M) costs, ensure sufficient funding for capital needs, and maintain required reserve levels

- Conduct a current cost-of-service analysis that aligns with Proposition 218 and Proposition 26

- Propose water and power rates for water years starting March 1, 2023 through March 1, 2025

- Develop a capacity fee for new water supply capacity projects

The District approved the recommended rate increase in January 2023. The District's practice has been to review its rates every three years, with the next update planned for 2026.

Current and Historical Water Rates and Charges. The District has a history of increasing water rates and charges to meet its operational goals and fund long-term capital improvements. The following table shows current and historical water rates and charges for Zone 6 customers.

Table 2
San Benito County Water District
Historical Water Rates and Charges

		CVP Zone 6 Water		Power Charge by Subsystem					Groundwater		Recycled Water	
Year Ended Feb. 28	Standby & Availability	Agricultural Rate	M&I Rate[1]	2	6H	9L	9H	Others	Ag.	M&I	Ag.	Power Charge
	Per Acre	*Per Acre Foot*										
2015	$6.00	$170.00	$238.00	$41.55	$30.15	$44.35	$94.30	$23.10	$3.95	$23.25		
2016	6.00	179.00	247.00	42.75	31.05	45.70	97.15	23.80	4.95	24.25	$182.55	$57.70
2017	6.00	272.00	363.00	123.10	75.65	109.95	162.55	66.05	6.45	24.25	183.45	59.45
2018	6.00	191.00	363.00	126.80	77.90	113.25	167.45	68.05	7.95	24.25	183.45	59.45
2019	6.00	209.00	363.00	130.60	80.25	116.65	172.45	70.10	12.75	38.25	183.45	59.45
2020	6.00	254.00	404.00	80.45	39.30	88.15	130.30	33.70	13.15	39.40	208.00	60.64
2021	6.00	265.00	415.00	82.85	40.45	90.80	134.20	34.75	13.55	40.55	210.00	61.85
2022	6.00	274.00	424.00	85.35	41.50	93.55	138.25	35.75	13.55	40.55	211.00	63.09
2023	6.00	274.00	424.00	85.35	41.50	93.55	138.25	35.75	13.75	13.75	294.70	101.10
2024	6.00	294.00	753.00	40.20	40.20	94.00	94.00	40.20	14.03	14.03	300.59	104.65
2025	6.00	300.00	815.00	41.60	41.60	97.30	97.30	41.60	14.00	14.00	300.00	104.60
2026	6.00	306.00	873.00	43.10	43.10	100.70	100.70	43.10	14.30	14.30	306.00	108.30

(1) M&I rate includes water reliability charge of $100/acre foot for 2024, $175/acre foot for 2025 and $250/acre foot for 2026.
Source: San Benito County Water District.

Description of Certain Rates and Charges

Standby & Availability Charge (per-acre land charge). The Standby & Availability charge is applicable only to parcels of land that receive, or are eligible to receive, water service from the San Felipe Distribution System either by direct delivery or by special agreement and is based on the fact that water is available to those particular parcels of land. The District Act authorizes the District to set an annual Standby & Availability charge, by resolution, on or before the first day of July in any calendar year, up to a maximum of $10.00 per acre per year. Currently, the District levies $6.00 per acre per year.

Agricultural and M&I Water Charges (per acre-foot water rate). The basis for the water charges are the operations and maintenance costs associated with the delivery of Zone 6 water to agricultural and M&I customers. These costs include the District's share of the operations and maintenance costs for the CVP, the SLDMWA (which operates a portion of the CVP under contract with USBR), the Reach 1 facility maintained by the SCVWD as well as the District's own operation and maintenance costs. Also included are interest costs related to water service from the CVP.

Recycled Water Charges (per acre-foot water rate). As described elsewhere, certain parcels int eh District's service area receive recycled water from the City of Hollister's water reclamation facility, for which they pay a per acre-foot rate of $306.00, consistent with the cost per acre-foot for CVP Zone 6 water.

Groundwater Extraction Charges. The District does not have any groundwater wells of its own and does not pump any groundwater. However, the District does charge customers with groundwater wells within Zone 6 an extraction charge of $14.31 per acre-foot. The groundwater charge is based on the costs reasonably borne by the District in providing the water supply service in the period of charge. The amount charged for groundwater pumped from wells is largely based on amounts well-owners self-report to the District.

Power Charges. The basis for the power charge is the cost of pumping, transmission and distribution of power associated with delivery of water to customers. These costs include pumping associated with the USBR pumping facilities, District pumping stations for specific subsystems, and power costs associated with San Justo Reservoir and the San Felipe Distribution system. The District has consolidated the power charge into the outside subsystem 9 and those within subsystem 9. Subsystem 9 is unique due to additional pumping requirements. The rates are based on the cost-of-service rates. If the pass-through portion of the power charges increases, these charges are subject to those pass-throughs.

Regulatory Overuse Charge. Although not shown in the table, water used over the allocation(s) will be billed the regulatory overuse charge. This regulatory charge is to encourage conservation and discourage overuse, and is the current spot market rate, with a maximum of $2,000 per acre foot. This Regulatory Overuse Charge is subject to change based on water supply.

Water Reliability Charge. Effective March 1, 2023, M&I customers have been paying a new water supply-reliability charge. This charge is designed to recover costs associated with enhancing reliability of the water supply for M&I customers (although the pledge of revenues for the 2025 Bonds is from all Zone 6 revenues).

Water Capacity Fee. The District anticipates imposing a connection fee of $12,265 per connection.

Water Billing and Collections

The District generates [monthly/bi-monthly/annual] bills for water charges due from non-wholesale customers. Wholesale customers are billed monthly. Historic delinquencies are typically less than 1%, and water delivery contracts require current account status.

Property taxes are collected by the County on the property tax roll, as described below under "– Property Tax Revenues."

Property Tax Revenues

Portion of County-Wide 1% Levy. The District receives a portion of the County-wide 1% ad valorem property tax levy. The property tax collected on behalf of the District is limited to a maximum total levy, which is adjusted annually based on a cost of living factor and a population factor in accordance with Article XIIIB of the California Constitution.

Additional Land Tax Levy. In addition, the District levies a land tax equal to $0.25 per $100.00 of assessed land value for all parcels within Zone 6 to pay for the construction, operating, maintenance and capital repayment of the distribution system and the District's share of the San Felipe Division and San Felipe Distribution System Facilities. This tax is collected for the District by the County.

Standby & Availability Charge. As described above, the District currently levies and collects a standby & availability charge of $6.00 per acre per year on parcels of land that receive, or are eligible to receive, water service from the San Felipe Distribution System.

Historical Assessed Valuations. The following table sets forth the historical assessed values for taxable property in the District for the fiscal years shown.

Table 3
San Benito County Water District
Historical Assessed Valuations
Past Five Fiscal Years

Fiscal Year	Land	Improvements	Personal Property	Total	Percentage Change
2015-16	$2,801,976,780	$3,741,098,753	$234,063,229	$6,777,138,762	--
2016-17	not available	not available	not available	7,272,366,138	7.3%
2017-18	3,258,523,279	4,283,733,193	293,875,731	7,836,132,203	7.7%
2018-19	not available	not available	not available	8,428,900,747	7.5%
2019-20	3,769,737,673	5,064,044,453	282,332,068	9,116,114,194	8.1%
2020-21	3,999,458,409	5,456,984,022	286,645,334	9,743,087,765	6.8%
2021-22	4,227,507,994	5,868,643,649	279,311,182	10,375,462,825	6.5%
2022-23	4,647,249,621	6,560,062,351	338,223,301	11,545,535,273	11.3%
2023-24	5,008,893,648	7,129,630,111	369,466,331	12,507,990,090	8.3%
2024-25	5,240,602,522	7,649,453,880	429,731,109	13,319,787,511	6.5%

Source: California Municipal Statistics.

Largest Local Secured Property Taxpayers. The following table shows the largest property taxpayers within the District for Fiscal Year 2024-25.

Table 4
San Benito County Water District
Largest Local Secured Taxpayers
Fiscal Year 2024-25

	Property Owner	Primary Land Use	2024-25 Assessed Valuation	% of Total [1]
1.	Granite Rock Co.	Industrial	$151,510,170	1.20%
2.	ET Hollister LLC	Warehouse/Distribution	84,389,965	0.67
3.	San Juan Oaks Owner LLC	Golf Course/Residential	80,478,776	0.64
4.	Duke Realty Hollister LP	Warehouse/Distribution	66,425,141	0.53
5.	1721 San Juan Highway LLC	Industrial	61,864,711	0.49
6.	K & S Market Inc.	Shopping Center	45,270,336	0.36
7.	McCormick Selph Inc.	Industrial	41,305,822	0.33
8.	KB Home South Bay Inc.	Agricultural	39,125,682	0.31
9.	AGNL Salad LP	Industrial	34,751,575	0.28
10.	Stone Canyon Ranch LLC	Agricultural	34,342,702	0.27
11.	STAG CA Holdings LP	Industrial	30,702,204	0.24
12.	Rosati-Hollister LP	Agricultural	27,192,510	0.22
13.	The Wine Group LLC	Agricultural	25,015,413	0.20
14.	Northwest Packing Co	Industrial	21,522,355	0.17
15.	RCT Land Company LP	Agricultural	21,373,747	0.17
16.	Asks Group LLC	Shopping Center	20,782,497	0.16
17.	9351 Fairview LLC	Agricultural	20,479,599	0.16
18.	Bradford Way LLC	Office Building	20,355,581	0.16
19.	Doodlebug Ranches LLC	Agricultural	20,256,869	0.16
20.	KMG Electronic Chemicals Inc.	Industrial	18,131,186	0.14
		Top 20 Subtotal	**$865,276,841**	**6.87%**

(1) 2024-25 Local Secured Assessed Valuation: $12,599,876,718.
Source: California Municipal Statistics.

Principal Land Taxpayers (Zone 6). The following table shows the principal land taxpayers within Zone 6 only for Fiscal Year 2024-25.

Table 5
San Benito County Water District
Principal Land Taxpayers (Zone 6)
Fiscal Year 2024-25

	Taxpayer	Assessed Land Valuation	% of Total Assessed Land Value
1	San Juan Oaks LLC	$40,645,815	1.01%
2	KB Homes South Bay Inc	34,844,743	0.86
3	ET Hollister LLC	25,500,000	0.63
4	Duke Realty Hollister LP	25,218,276	0.63
5	Rosati-Hollister LP	19,888,572	0.49
6	Lennar Homes of CA LLC	19,207,556	0.48
7	Dobler Ranches LP a Calif Ltd Part	15,551,874	0.39
8	Hollister 173 LP	15,376,255	0.38
9	Century Communities of CA LLC	14,913,542	0.37
10	Property Reserve Inc	14,370,590	0.36
	Top 10 Subtotal	**$225,517,223**	**5.59%**
	Total AV for Zone 6 Land Taxpayers	**$4,034,778,280**	

Source: San Benito County Assessor's Office.

Property Tax Limitations; Article XIIIA of the California Constitution. California voters, on June 6, 1978, approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIIIA to the California Constitution, among other things, affects the valuation of real property for the purpose of taxation in that it defines the full cash value of property to mean "the county assessor's valuation of real property as shown on the 1975/76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or any reduction in the consumer price index or comparable local data, or any reduction in the event of declining property value caused by damage, destruction, or other factors. The amendment further limits the amount of any ad valorem tax on real property to 1% of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978. In addition, an amendment to Article XIIIA was adopted in June 1986 by initiative which exempts any bonded indebtedness approved by two-thirds of the votes cast by voters for the acquisition or improvement of real property from the 1% limitation.

Classifications of Property. In California, property which is subject to *ad valorem* taxes is classified as "secured" or "unsecured." Secured and unsecured properties are entered on separate parts of the assessment roll maintained by the county assessor. The secured classification includes property on which any property tax levied by the County becomes a lien on that property sufficient, in the opinion of the county assessor, to secure payment of the taxes. Every tax which becomes a lien on secured property has priority over all other liens on the secured property, regardless of the time of the creation of other liens. A tax levied on unsecured property does not become a lien against the taxes on unsecured property, but may become a lien on certain other property owned by the taxpayer.

The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured property taxes in the absence of timely payment by the taxpayer: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts an order to obtain a

judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of the personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of property securing the taxes to the State for the amount of taxes which are delinquent. A 10% penalty also applies to delinquent taxes on property on the unsecured roll, and further, an additional penalty of 1 ½% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date.

The valuation of property is determined as of January 1 each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due August 1 and become delinquent August 31.

Unitary Property. Commencing in fiscal year 1988-89, the Revenue and Taxation Code of the State of California changed the method of allocating property tax revenues derived from State assessed utility properties. It provides for the distribution of State assessed values to tax rate areas by a County-wide mathematical formula rather than assignment of State assessed value according to the location of those values in individual tax rate areas. The assessed value of all unitary property in the County has been assigned to this tax rate area and one tax rate is levied against all such property ("**Unitary Revenues**").

The property tax revenue derived from the assessed value assigned to the County-wide tax rate area shall be allocated as follows: (1) each jurisdiction will be allocated up to 2% of the increase in Unitary Revenues on a pro rata basis county-wide; and (2) any decrease in Unitary Revenues or increases less than 2%, or any increase in Unitary Revenues above 2% will be allocated among jurisdictions in the same proportion of each jurisdiction's Unitary Revenues received in the prior year to the total Unitary Revenues county-wide. However, Counties must also transfer certain railroad properties into a countywide tax rate area from their existing tax rate area. Taxes on these properties are now distributed in a manner similar to other unitary properties, except that redevelopment agencies no longer share in the distribution.

Assessment Appeals. An assessee of locally assessed or State-assessed property may contest the taxable value enrolled by the county assessor or by the State Board of Equalization ("**SBE**"), respectively. The assessee of SBE-assessed property or locally-assessed personal property, the valuation of which is subject to annual reappraisal, actually contests the determination of the full cash value of property when filing an assessment appeal. Because of the limitations to the determination of the full cash value of locally assessed real property by Article XIIIA, an assessee of locally assessed real property generally contests the original determination of the base assessment value of the parcel, i.e. the value assigned after a change of ownership or completion of new construction. In addition, the assessee of locally assessed real property may contest the current assessment value (the base assessment value plus the compounded annual inflation factor) when specified conditions have caused the full cash value to drop below the current assessment value.

At the time of reassessment, after a change of ownership or completion of new construction, the assessee may appeal the base assessment value of the property. Under an appeal of a base assessment value, the assessee appeals the actual underlying market value of the sale transaction or the recently completed improvement. A base assessment appeal has significant future revenue impact because a reduced base year assessment will then reduce the compounded value of the property prospectively. Except for the 2% inflation factor allowable under Article XIIIA, the value of the property cannot be increased until a change of ownership occurs or additional improvements are added.

Under Section 51(b) of the Revenue and Taxation Code, the assessor may place a value on the tax roll lower than the compounded base assessment value if the full cash value of real property has been reduced by damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in the value. Reductions in value under Section 51(b), commonly referred to as Proposition 8 reductions, can be achieved either by formal appeal or administratively by assessor staff appraising the property. A reduced full cash value placed on the tax roll does not change the base assessment value. The future impact of a parcel subject to a Proposition 8 appeal is dependent upon a change in the conditions which caused the drop in value. In fiscal years following a successful Proposition 8 appeal, the assessor may determine that the value of the property has increased as a result of corrective actions or improved market conditions and enroll a value on the tax roll up to the parcel's compounded base assessment value. Additionally, successful appeals regarding property on the unsecured rolls does not necessarily affect the valuation of such property in any succeeding fiscal year. Utility companies and railroads may contest the taxable value of utility property to the SBE. Generally, the impact of utility appeals is on the State-wide value of a utility determined by SBE. The actual valuation impact to the District from successful assessment appeals will occur on the assessment roll prepared after the actual valuation reduction.

Teeter Plan

Teeter Plan. The Board of Supervisors of San Benito County has adopted the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds" (the "**Teeter Plan**"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. The Teeter Plan provides for the allocation and distribution of property tax levies and collections and of tax sale proceeds. Under this method, the County pays the District 100% of property tax due to the District and retains any penalties or delinquencies collected to offset such gross payment. There can be no assurance that the County will not discontinue the Teeter Plan or remove the District, or the property tax payable to the District, from the Teeter Plan in the future.

Historical Delinquencies. The following table shows the delinquency information that is available for the District for the fiscal years shown.

Table 6
San Benito County Water District
Secured Tax Charges and Delinquencies
Past Five Fiscal Years

Fiscal Year	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2018-19	$102,493,243	$1,162,396	1.13%
2019-20	111,956,100	1,602,582	1.43
2020-21	122,221,751	1,775,741	1.45
2021-22	130,659,822	1,158,881	0.89
2022-23	143,514,052	1,432,158	1.00

(1) All property taxes collected by the County.
Source: California State Controller's Office.

Financial Policies

Investment Policy. The District is permitted by both Board policy and State law to invest in various authorized investments, subject to a variety of limits and controls, including State of California bonds, U.S. Government Agency securities (Treasury and other federal agencies) and

other securities (bankers' acceptances, negotiable certificates of deposit, etc.). The District investment portfolio is primarily comprised of holdings in Federal agency securities.

Reserve Policy and Amounts. The Board of Directors of the District manages its reserves in order to anticipate and prepare for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events. As of June 30, 2024, the District's various reserves were shown in the following combined categories: O&M reserve of $4.63 million (equal to 28% of Fiscal Year 2023-24 operating expenditures), OPEB Trust reserve of $1.1 million, contract replacement reserve of $5.0 million, and revolving fund reserve of $75,000.

Additional details about the various reserves held by the District for various purposes follows.

Name of Restricted Net Asset/Cash	Source Of Restriction	Purpose
District Revolving Fund	San Benito County Water Conservation and Flood Control District Act (Section 70-7.1(a))	To provide funds which may be used for emergencies and to pay costs necessary for the establishment of a zone within the District.
San Felipe-Hollister Conduit Reserve	USBR Contract Central Valley Project-Contract Between the United States and the San Benito County Water Conservation and Flood Control District for Water Service and for Operation and maintenance of Certain Works of the San Felipe Division (Contract #8-07-20-W0130)	To meet unforeseen extraordinary costs and emergencies.
San Felipe-Reach 1 Reserve	USBR San Felipe Division-Contract for the Transfer of the Operation and Maintenance of Certain San Felipe Division Facilities (Contract # 6-07-20-X0290): United States, Santa Clara Valley Water District, and San Benito County Water Conservation and Flood	To meet operations and maintenance costs incurred during period of special stress and extraordinary repair or replacement costs associated with Reach 1.
USBR Contract Repayment and Rate Management Reserve	Agreement Between Santa Clara Valley Water District and San Benito County Water District for Repayment and Management of San Felipe Division Facilities.	Funds to pay for San Felipe Division costs, including existing foreseeable and unforeseeable costs that may result from catastrophic failure of San Felipe Division facilities. Funds from this restricted reserve are to be used for USBR Amendatory Contract Repayment. This USBR Contract Repayment and Rate Management Reserve is intended to provide funds to make interest and principal payments on the Amendatory contract in an effort to minimize the impact of the repayment schedule on water rates and taxes.
Reach 1 Major Repair and Replacement Reserve	Agreement Between Santa Clara Valley Water District and San Benito County Water District for Repayment and Management of San Felipe Division Facilities.	To provide funds for major repair and replacement associated with Reach 1.
Reserved for Water Treatment Plants-Asset Replacement Reserve	Hollister Urban Area Water Supply and Treatment Agreement: Article 6.3(a)(4)	To provide funds for capital replacement of assets of the Water Supply and Treatment Program, and funds so expended will be replaced through subsequent contributions.
Reserve for Other Post-Employment Benefits (OPEB) Trust	CERBT Trust Account	To provide restricted funds for retiree future medical payments.

Debt Management Policy. The District adopted a debt management policy which outlines the purposes for which debt may be issued, methods of financing, and the acceptable structure and term of debt obligations.

Budget Policies. Although the District is not required to adopt a budget, it does so annually to outline the major elements of the forthcoming year's operating and capital plans and to allocate funding required for those purposes. The District's Board of Directors annually adopts a capital and an operating budget for the ensuing fiscal year effective July 1 as a financial plan for the year. The budget is adopted by the governing Board as an operating plan. A quarterly financial report is reviewed by the Board Finance Committee and reported to the Board of Directors.

The District experiences wide fluctuations in expenses from year to year depending on its annual source of supply. In wet years, the District purchases and imports water to meet its annual needs and additional water to store in its underground aquifers. In dry years, the District purchases minimal water, but pays substantially higher power costs. Also in dry years, the District will purchase transfer water from other Districts with available water. Transfer water comes with a higher cost.

Accounting Principles

General. The District uses the economic resources measurement focus and accrual basis of accounting, in conformity with the uniform system of accounts prescribed for water districts by the Controller of the State of California. Revenues are recognized when earned and expenses are recorded when the liability is incurred regardless of the timing of cash payments or receipts.

When the District has both unrestricted and restricted resources available for District purposes, it is the District's practice to first expend restricted resources, subsequently utilizing unrestricted resources as needed.

The District utilizes a proprietary enterprise fund category to account for its activities. Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. All assets and liabilities associated with an enterprise fund's activities are included in its statements of net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are water sales and service revenues charged to water users. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Accounts Receivable and Delinquencies. Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Charges to water users for contract water sales that are uncollected as of the end of each year are considered delinquent. Consistent with established policy and California Water Code, the District can initiate statutory proceedings to obtain a certificate of sale for accounts considered delinquent which are represented by liens on the respective property. An allowance for delinquent accounts has been

set up as of $62,174 for 2024, $53,956 for 2023 and $51,787 for 2022. The allowance for delinquency provision for general administrative and general project service charges is based on a percentage of assessments levied. The percentage is determined annually by the Board of Directors.

Revenue Recognition. Income is derived primarily from the sale of water and the levy of general administrative and general project service charges as determined annually by the Board of Directors. Revenue from the sale of water is recognized on the accrual basis as water is delivered. General administrative and general project service charges are established and levied by the Board of Directors for the period July 1 through June 30 of the following year. These service charges are reported as income to the District in July of the year levied. The general service charges are billed to the landowners on their county property tax statements.

The District has entered into groundwater banking relationships with banking partners, which are water districts located in California. Revenue for banking is recognized in the period when annual fees are billed and when water is stored or returned for each respective banking partner.

Historical and Projected Revenues, Expenses and Debt Service Coverage

The following table includes historical revenues, expenses and debt service coverage for Zone 6 for Fiscal Years 2019-20 through 2023-24, and projected revenues, expenses and debt service coverage for Zone 6 for Fiscal Years 2024-25 through 2028-29.

Table 7
San Benito County Water District
Historical and Projected Revenues, Expenses and Debt Service Coverage
Fiscal Years 2019-2020 – 2023-24 (Actuals) and Fiscal Years 2024-25 – 2028-29 (Budgeted/Projected)

	Audited					Budgeted/ Estimated	Projected			
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25[10]	2025-26	2026-27	2027-28	2028-29
Gross Revenues: [1]										
Operating Revenue[2]	$11,983,516	$12,190,626	$8,824,457	$8,040,487	15,597,001	13,370,000	13,569,659	13,772,313	13,978,007	14,186,786
Taxes and Assessments[3]	8,474,646	8,974,547	9,602,983	11,050,680	11,539,286	13,000,000	13,260,000	13,525,200	13,795,704	14,071,618
Interest Revenues	858,348	295,285	100,916	1,159,504	2,236,987	1,426,500	1,700,000	2,000,000	2,000,000	2,000,000
Other Revenue	218,368	209,932	211,747	216,294	235,705	209,000	209,000	209,000	209,000	209,000
Total Gross Revenues	$21,534,878	$21,670,390	$18,740,103	20,466,965	29,608,979	28,005,500	28,738,659	29,506,513	29,982,711	30,467,404
Operating Expenses:										
Cost of Water[4]	$3,367,935	$3,204,849	$2,458,690	1,875,591	2,203,967	2,610,200	2,701,557	2,796,111	2,893,975	2,995,265
Payroll and Benefits[5]	2,783,986	2,288,107	(755,932)	4,782,160	3,247,482	2,517,994	2,606,123	2,697,338	2,791,744	2,889,456
Contract Services[6]	3,126,974	3,528,142	3,721,929	3,600,762	5,441,218	5,577,248	5,716,680	5,859,597	6,006,087	6,156,239
Utility Expenses[7]	556,978	444,373	415,337	434,608	664,392	687,646	711,713	736,623	762,405	789,089
Other Operating Expenses[7][8]	3,459,177	3,935,420	4,028,474	4,280,151	4,517,748	4,675,869	4,839,525	5,008,908	5,184,220	5,365,667
Gross Operating Expenses	$13,295,050	$13,400,891	$9,868,498	14,973,272	16,074,807	16,068,957	16,575,598	17,098,577	17,638,431	18,195,715
Expense Adjustments:[1]										
Less: GASB Pension Cost (Gain) Accrual	$0	$0	$2,809,262	$(2,310,522)	$(814,638)	$0	$0	$0	$0	$0
Less: Depreciation and Amortization[7]	(2,944,485)	(3,070,034)	(3,401,917)	(3,576,922)	(3,706,075)	(3,742,650)	(3,873,643)	(4,009,220)	(4,149,543)	(4,294,777)
Plus: USBR Water Rights Purchase[9]	1,942,152	1,942,152	1,942,152	1,942,152	1,942,152	1,942,152	1,942,152	6,984,605	6,984,605	6,984,605
Less: District USBR Reserve Contributions[9]	0	0	0	0	0	0	0	(5,000,000)	(5,000,000)	(5,000,000)
Total Operating Expenses	$12,292,717	$12,273,009	$11,217,995	$11,027,980	13,496,246	14,268,458	14,644,107	15,073,962	15,473,493	15,885,544
Net Revenues	**$9,242,161**	**$9,397,381**	**$7,522,108**	**$9,438,985**	**$16,112,733**	**$13,737,042**	**$14,094,552**	**$14,432,551**	**$14,509,218**	**$14,581,861**
Parity Debt										
2015 Agreement	$463,117	$463,117	$463,117	$463,117	$463,117	$463,117	$463,117	$463,117	$463,117	$463,117
2021 Taxable Obligations	0	0	285,298	243,190	243,329	243,321	243,167	242,867	243,407	242,786
2021 Refunding Obligations	0	0	225,932	226,227	225,773	226,258	225,662	226,006	226,269	226,451
2025 Bonds*	0	0	0	0	0	0	1,210,346	2,906,125	2,909,875	2,910,625
Future Supply Projects*	0	0	0	0	0	0	0	0	- [11]	- [11]
Total Debt Service*	$463,117	$463,117	$974,347	$932,534	$932,218	$932,695	$2,142,292	$3,838,115	$3,842,668	$3,842,979
Debt Service Coverage (1.20x Req'd)	**19.96**	**20.29**	**7.72**	**10.12**	**17.28**	**14.73**	**6.58**	**3.76**	**3.78**	**3.79**

(Footnotes Follow on Next Page)

* *Preliminary; subject to change.*

(1) Excludes non-cash entries (i.e., depreciation, GASB adjustments, fair market value adjustments, etc.), grant revenues, and capital expenses.

(2) FY 2023-24 increase reflects wet year water sales. Projections assume operating revenues, net of water reliability charge, increase by 1.5% annually plus fixed water reliability charges of $132 per acre foot.

(3) Projections assume 2.0% annual increases. FY 2024-25 amount is an estimate based on actual tax collections as of January 2025 and not based on the budget.

(4) The District did not purchase water in FY 2021-22 and did not start purchasing water in FY 2022-23 until March 2023. FY 2024-25 is a current estimate and not based on the budget. Projections assume 3.5% annual increases.

(5) Reduction in FY 2021-22 was a result of the District prepaying its CalPERS unfunded accrued liability (Series 2021 Taxable Revenue Obligations). GASB-required non-cash adjustments to the District's CalPERS liability result in annual fluctuations based on CalPERS portfolio earnings. These non-cash GASB entries are netted out below. Projections assume 3.5% annual increases based on FY 2023-24 costs net of GASB adjustments.

(6) Increase in FY 2023-24 due to increased costs to operate treatment plants of approximately $1.5 million, largely due to rise in chemical costs which are reimbursable back to the operator. Projections assume 2.5% annual increases.

(7) Projections assume 3.5% annual increases.

(8) Includes material and equipment, general and administrative, and depreciation.

(9) USBR water rights purchase payments extend through July 1, 2036. The District set aside $35 million of reserves to pay for approximately $5 million annually of USBR Water Rights Purchase costs beginning in FY 2026-27 and plans to continue contributing reserves to this account.

(10) Based on the budget, unless otherwise noted in these footnotes.

(11) The District is contemplating future debt, but the timing amount and structure has yet to be determined.

Source: The District and Annual Comprehensive Financial Reports.

BOND OWNERS' RISKS

The following describes certain special considerations and risk factors affecting the payment of and security for the 2025 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any 2025 Bonds and the order presented does not necessarily reflect the relative importance of the various risks. Potential investors in the 2025 Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the 2025 Bonds. There can be no assurance that other considerations will not materialize in the future.

Water System Demand

There can be no assurance that the demand for water services will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges of the District to comply with the covenants to fix rates and charges. Increases in rate and charges for non-wholesale customers requires compliance with Proposition 218.

Water System Supply; Droughts

California is subject to droughts from time-to-time. Since 2000, the longest duration of drought (in varying levels of intensity) in California lasted 376 weeks beginning in December 2011 and ending in early March 2019. The most intense period of drought occurred the week of July 29, 2014, with extreme drought conditions experienced in over half the state. On April 1, 2015, for the first time in California's history, Governor Edmund G. Brown directed the State Water Resources Control Board to implement mandatory water reductions in cities and towns across California to reduce water usage by 25%. After a few wet years which alleviated drought conditions, California was once again declared to be in a drought following a dry 2021-22 winter.

The District's water supply allotment from the federal Central Valley Project varies from year to year. In some past years, the District's allocation of CVP water has been dramatically reduced. More recently, wet hydrologic conditions during the 2023 water year left CVP reservoirs in good condition, allowing full allocations of CVP water for the 2024 water year. On February 26, 2025, USBR announce allocations of 35% of the District's agricultural contract amount and 75% of its M&I contract amount.

No assurance can be given that drought conditions and CVP allocation curtailments will not again occur in the future. See also "–Natural Disasters" and "– Potential Impact of Climate Change" below.

Revenues; Rate Covenant

The Revenues securing the 2025 Bonds consist primarily of Installment Payments payable by the District, which, in turn, are secured by the Net Revenues of Zone 6. Net Revenues are dependent upon the demand for water usage, which can be affected by population factors and climactic conditions such as droughts. There can be no assurance that demand for water usage will be consistent with the levels contemplated in this Official Statement. A decrease in the demand for water could require an increase in rates or charges in order to comply with the rate covenants contained in the Installment Sale Agreement. The District's ability to meet its rate covenants is dependent upon its capacity to increase rates without driving down demand to a level insufficient to meet debt service on the Installment Payments and Parity Obligations.

Operations and Maintenance Costs; Third-Party Sources of Water Supply

There can be no assurance that expenses of Zone 6 will be consistent with the levels contemplated in this Official Statement. In particular, the District currently obtains a portion of its potable water during dry years from transfer agencies, and therefore the District may have less control over the expenses attributable to its water supply than if the District directly controlled its water. The wholesale rates for water charged by these third party transfer agencies are not passed-through to customers of Zone 6, rather they are incorporated into the rates and charges that the District must establish in order to operate Zone 6 and to pay debt service on Zone 6's long-term obligations, including the 2025 Bonds.

In addition to its purchased water expenses, changes in technology, changes in quality standards, and increases in the cost of operation or other expenses could require substantial increases in rates or charges in order to comply with the rate covenants in the Installment Sale Agreement. Until such rates can be implemented, Net Revenues may be reduced, increasing the possibility of nonpayment of the Installment Payments and, in turn, the 2025 Bonds.

Limitations on Remedies Available to Bond Owners

The ability of the District to comply with its covenants under the Installment Sale Agreement and to generate Net Revenues sufficient to pay principal of and interest on the Installment Payments and Parity Obligation may be adversely affected by actions and events outside of the control of the District, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. Furthermore, any remedies available to the owners of the 2025 Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondholder remedies contained in the Indenture, the rights and obligations of the Authority under the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the 2025 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Seismic and other Natural Disasters

General. Natural disasters, such as seismic events, flooding, landslides or wildfires, could affect economic activity in the District, and could have a negative impact on District finances. There can be no assurance that the occurrence of any natural calamity would not cause substantial interference to and costs for the District and Zone 6.

Seismic. The District is located in a seismically active area of California. If there were to be an occurrence of severe seismic activity in the area of the District, such an occurrence may adversely affect economic activity in the District, and could have a negative impact on District finances. The District could be at risk from strong ground motion and secondary effects related to a seismic event, including ground failure (such as landslide, liquefaction, lateral spreading,

lurching and differential settlement) and seismically induced flooding (such as flooding from a dam failure).

Wildfires. Although the District is not located within a Fire Hazard Severity Zone as established by CAL FIRE (https://egis.fire.ca.gov/FHSZ), there are areas adjacent to the District that are open space parklands and more susceptible to wildfires. In addition, many areas of northern California have suffered from major wildfires in recent years, including numerous wildfires in northern California in 2020 and in 2021. In addition to their direct impact on health and safety and property damage in California, the smoke from many of these wildfires has impacted the quality of life in the Bay Area, and the District and may have short-term and future impacts on commercial activity in the District. The fires have been driven in large measure by drought conditions and low humidity. Experts expect that California will continue to be subject to wildfire conditions year over year as a result of changing weather patterns due to climate change.

Droughts. California is subject to droughts from time-to-time. See "– Water System Supply; Droughts," above.

Climate Change. District finances may be negatively impacted by climate change. See "– Potential Impact of Climate Change," below.

Potential Impact of Climate Change

The issue of climate change has become an important factor in water resources planning in the State. There is evidence that increasing concentrations of greenhouse gases have caused and will continue to cause a rise in temperatures around the world, which will result in a wide range of changes in climate patterns. Moreover, there is evidence that a warming trend occurred during the latter part of the 20th century and will likely continue through the 21st century. These changes will have a direct effect on water resources in the State, and numerous studies on climate and water in the State have been conducted to determine the potential impacts.

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. For example, the Fourth National Climate Assessment, published by the U.S. Global Change Research Program, in November 2018 (NCA4) finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the 2025 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2025 Bonds were issued, as a result of future acts or omissions of the Authority or District in violation of its covenants in the Installment Sale Agreement and Indenture. Should such an event of taxability occur, the 2025 Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Proposition 218

General. On November 5, 1996, California voters approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which affect the ability of local governments to levy and collect both existing and future taxes, assessments, and property-related fees and charges. Proposition 218, which

generally became effective on November 6, 1996, limited local governments' authority to impose or increase property-related "fee" or "charge," which is defined as "any levy other than an ad valorem tax, a special tax or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service" (and referred to in this section as a "property-related fee or charge").

Specifically, under Article XIIID, before a municipality may impose or increase any property-related fee or charge, the entity must give written notice to the record owner of each parcel of land affected by that fee or charge. The municipality must then hold a hearing upon the proposed imposition or increase at least 45 days after the written notice is mailed, and, if a majority of the property owners of the identified parcels present written protests against the proposal, the municipality may not impose or increase the property-related fee or charge.

Further, under Article XIIID, revenues derived from a property-related fee or charge may not exceed the funds required to provide the "property-related service" and the entity may not use such fee or charge for any purpose other than that for which it imposed the fee or charge. The amount of a property-related fee or charge may not exceed the proportional cost of the service attributable to the parcel, and no property-related fee or charge may be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question.

In addition, Article XIIIC states that "the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives."

Judicial Interpretation of Proposition 218. After Proposition 218 was enacted in 1996, appellate court cases and an Attorney General's opinion initially indicated that fees and charges for water and wastewater services, which are based on the amount of services consumed, would not be considered property-related fees and charges, and thus not subject to the requirements of Article XIIID. However, numerous subsequent court cases have held that certain types of water and wastewater charges could be subject to the requirements of Proposition 218. These cases include, for example, *Capistrano Taxpayers Assoc., Inc. v. District of San Juan Capistrano* (186 Cal. Rptr. 3d 362 (Cal. App. 4th Distr. 2015)), *Bighorn-Desert View Water Agency v. Verjil* (46 Cal. Rptr. 3d 73 (Cal. 2006)), and *Howard Jarvis Taxpayers Assoc. v. District of Fresno* (26 Cal. Rptr. 3d 153 (Cal. App. 5th Distr. 2005)).

Under the *Bighorn* case, for example, the court held that under Article XIIIC, local voters could adopt an initiative measure that could reduce or repeal a local agency's rates and charges, though it is not clear whether (and California courts have not decided whether) any such reduction or repeal by initiative would be enforceable in a situation in which such rates and charges are pledged to the repayment of bonds or other indebtedness, as is the case with respect to the Installment Payments securing the 2025 Bonds.

Under the *District of San Juan Capistrano* case, the court held that tiered or inclined rates that go up progressively in relation to usage must correspond to the actual cost of providing water service at each tier (level of usage), and accordingly the pricing for any tier cannot exceed the cost of service to that tier.

District's Current Practice Regarding Rates and Charges. The District's practice in implementing increases in water rates and charges has been to comply with the requirements of Article XIIID, including the practice of providing property owners with a 45-day mailed notice and public hearing before the District Board of Directors approves rate increases.

Conclusion. It is not possible to predict how courts will further interpret Article XIIIC and Article XIIID in future judicial decisions, and what, if any, further implementing legislation will be enacted. As noted above, under the *Bighorn* case, local voters could adopt an initiative measure that reduces or repeals the District's rates and charges, though it is not clear whether (and California courts have not decided whether) any such reduction or repeal by initiative would be enforceable in a situation in which such rates and charges are pledged to the repayment of bonds or other indebtedness, as is the case with respect to the Installment Payments securing the 2025 Bonds. ***There can be no assurance that the courts will not further interpret, or the voters will not amend, Article XIIIC and Article XIIID to limit the ability of local agencies to impose, levy, charge and collect increased fees and charges for water, or to call into question previously adopted water rate increases.***

Environmental Regulation

The supply of water by the District through the Water System is regulated, to a large extent, by the federal government and the State. Water treatment standards set forth in federal and State law control the operations of the Water System (and the wholesale water providers that supply water to the Water System) and mandate its use of technology. If the federal government, acting through the Environmental Protection Agency, or the State, acting through the Department of Health Services, or additional federal or State legislation, should impose stricter standards upon the Water System, the District's expenses related to the Water System could increase accordingly and rates and charges would have to be increased to offset those expenses. See "–Maintenance and Operation Costs; Third Party Sources of Water Supply" above."

It is not possible to predict the direction which federal or State regulation will take with respect to water standards, although it is likely that both will impose more stringent standards with attendant higher costs.

Pandemic Diseases

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. Pandemic diseases arising in the future could have significant adverse health and financial impacts throughout the world, leading to loss of jobs and personal financial hardships, and/or actions by federal, State and local governmental authorities to contain or mitigate the effects of an outbreak.

Government assistance programs may include deferral of due dates of property taxes and water rate charges, which were both programs implemented during the recent COVID-19 pandemic, and with or without a deferral some ratepayers within the District may be unable to make their property tax payments or pay their water bills. No assurance can be given that the property tax payment dates or water bill payment dates will not be deferred in the future, which may cause a delay in the receipt of revenues to the District.

Cybersecurity

The District, like most other public entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the District is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. The District maintains insurance coverage for loss resulting from cyber security incidents, however no assurance can be given that the District's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the District, or the administration of the 2025 Bonds.

The District is also reliant on other entities and service providers in connection with the operation of the Water System and the administration of the 2025 Bonds, including without limitation, the District's wholesale water provider, the Trustee and the dissemination agent. No assurance can be given that the District and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the 2025 Bonds or, if a secondary market exists, that any 2025 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

Future Parity Obligations

As described in "SECURITY FOR THE 2025 BONDS – Parity Obligations" above, the Installment Sale Agreement permits the District to issue Parity Obligations in the future that is secured and payable on parity with the payment of the Installment Payments securing the 2025 Bonds. In the event of a decline in Net Revenues available to pay the Installment Payments securing the 2025 Bonds, the existence of additional Parity Obligations could adversely affect the District's ability to timely pay the Installment Payments securing the 2025 Bonds.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2025 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the 2025 Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority and the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the 2025 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Authority and District have made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2025 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2025 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2025 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2025 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2025 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2025 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2025 Bonds who purchase the 2025 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2025 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2025 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such 2025 Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2025 Bond (said term being the shorter of the 2025 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2025 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2025 Bond is amortized each year over the term to maturity of the 2025 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium 2025 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2025 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2025 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2025 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2025 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2025 Bonds, or as to the consequences of owning or receiving interest on the 2025 Bonds, as of any future date. Prospective purchasers of the 2025 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2025 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2025 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2025 Bonds, the ownership, sale or disposition of the 2025 Bonds, or the amount, accrual or receipt of interest on the 2025 Bonds.

CERTAIN LEGAL MATTERS

Jones Hall, A Professional Law Corporation, Bond Counsel, will render an opinion with respect to the validity of the 2025 Bonds, the form of which opinion is set forth in APPENDIX E. Certain legal matters will also be passed upon for the District by Jones Hall, as Disclosure Counsel and by the District Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth LLP, Newport Beach, California. The fees of Bond Counsel, Disclosure Counsel and Underwriter's counsel are contingent on the sale and closing of the 2025 Bonds.

LITIGATION

No litigation is pending or threatened concerning the validity of the 2025 Bonds. Neither the Authority nor the District is aware of any litigation pending or threatened questioning the political existence of the Authority or the District or contesting the District's power to fix water rates and charges, or the power of the governing body of the Authority or the Board of Directors of the District or in any way questioning or affecting: (i) the proceedings under which the 2025 Bonds are to be issued; (ii) the validity of any provision of the 2025 Bonds, the Installment Sale Agreement or the Indenture; (iii) the pledge of Net Revenues under the Installment Sale Agreement or the pledge of Revenues under the Indenture; or (iv) the titles to office of the present members of the governing body of the Authority or the Board of Directors of the District.

There are a number of suits and claims pending against the District, which may include personal injury, wrongful death and other suits and claims against which the District may self-insure. As noted in the audited financial statements of the District, the District is a party to *United States Bureau of Reclamation (Defendant) v. Center for Biological Diversity*. On May 21, 2021, the District, along with other CVP contractors holding WIIN Act contracts were named as additional defendants in a lawsuit challenging that the United States erred in entering into converted contracts under the WIIN Act without National Environment Policy Act (NEPA) and the Endangered Species Act (ESA) compliance. The CVP contractors are working collectively in their response to this litigation. [***Note: Review/Update***]

The aggregate amount of the self-insured liabilities of the District which may result from the ongoing suits and claims against the District will not, in the opinion of the District, materially impair the ability of the District to pay the Installment Payments securing the 2025 Bonds as they become due.

RATING[S]

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), is expected to assign its rating of "_____" to the 2025 Bonds, based on the understanding that the Insurer will deliver its municipal bond insurance policy with respect to the 2025 Bonds. In addition, S&P has assigned its underlying municipal bond rating of "_____" to the 2025 Bonds.

The ratings reflect only the view of S&P, and an explanation of the significance of the ratings, and any outlook assigned to or associated with the ratings, should be obtained from the S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Authority has provided certain additional information and materials to S&P (some of which does not appear in this Official Statement).

There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of any rating on the 2025 Bonds may have an adverse effect on the market price or marketability of the 2025 Bonds.

CONTINUING DISCLOSURE

The District will covenant for the benefit of owners of the 2025 Bonds to provide certain financial information and operating data by not later than nine months after the end of the District's fiscal year, or April 1 of each year (based on the District's current fiscal year-end of June 30), commencing April 1, 2026 with the report for the 2024-25 fiscal year (the "**Annual Report**") and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events by the District is set forth in "APPENDIX C – Form of Continuing Disclosure Certificate."

The District has not previously entered into continuing disclosure undertakings under the Rule in connection with the issuance of long-term obligations.

UNDERWRITING

Stifel Nicolaus & Company, Incorporated, as underwriter of the 2025 Bonds (the "**Underwriter**"), has agreed to purchase the 2025 Bonds from the Authority at a purchase price of $_____ which represents the aggregate principal amount of the 2025 Bonds, plus/less [net] original issue premium/discount of $_____, less underwriter's discount of $_____.

The purchase contract under which the Underwriter is purchasing the 2025 Bonds provides that the Underwriter will purchase all of the 2025 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the purchase contract.

The public offering prices of the 2025 Bonds may be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2025 Bonds to certain dealers and others at a price lower than the offering price stated on the cover page of this Official Statement.

MUNICIPAL ADVISOR

The Authority has retained NHA Advisors, LLC, San Rafael, California, as municipal advisor (the "**Municipal Advisor**") in connection with the offering of the 2025 Bonds. All financial and other information presented in this Official Statement has been provided by the Authority, the District and others from their records. Unless otherwise footnoted, the Municipal Advisor takes no

responsibility for the accuracy or completeness of the data provided by the Authority, the District or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor has assisted the Authority and the District with the structure, timing and terms for the sale of the 2025 Bonds. The Municipal Advisor provides municipal advisory services only and does not engage in the underwriting, marketing, or trading of municipal securities or other negotiable instruments. The fee of the Municipal Advisor is contingent upon the successful closing of the 2025 Bonds.

CONTINGENT FEES

In connection with the issuance of the 2025 Bonds, some or all of the fees or other compensation payable to certain professionals involved with the offering is contingent upon the issuance and delivery of the 2025 Bonds. Those entities include:

- the Underwriter;
- NHA Advisors, LLC, as municipal advisor and dissemination agent;
- Jones Hall, A Professional Law Corporation, as bond counsel and disclosure counsel;
- Stradling Yocca Carlson & Rauth LLP, as underwriter's counsel; and
- U.S. Bank Trust Company, National Association, as trustee.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the governing body of the Authority and the District Board of Directors of the District.

SAN BENITO COUNTY WATER DISTRICT FINANCING AUTHORITY

By: _____
Executive Director

SAN BENITO COUNTY WATER DISTRICT

By: _____
General Manager

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2024

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_____
San Benito County Water District Financing Authority
2025 Water Revenue Bonds

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the San Benito County Water District (the "**District**") in connection with the issuance of the above-captioned bonds (the "**2025 Bonds**"). The 2025 Bonds are being issued by the San Benito County Water District Financing Authority (the "**Authority**") under an Indenture of Trust dated as of May 1, 2025 (the "**Indenture**") by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the 2025 Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently April 1 based on the District's fiscal year end of June 30).

"*Dissemination Agent*" means, initially, _____, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed in connection with the issuance of the 2025 Bonds.

"*Participating Underwriter*" means any original underwriter of the 2025 Bonds required to comply with the Rule in connection with offering of the 2025 Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2026 with the report for the 2024-25 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in a timely manner as required by the Rule, in an electronic format as prescribed by the MSRB, a notice of such event.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements of the District prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed under the preceding clause (a), the Annual Report shall contain information showing the following: [***Note: Review/Confirm***]

(i) A statement of whether the District is still participating in the Teeter Plan administered by San Benito County;

(ii) The top ten customers for the most recent fiscal year by total revenue, in substantially the form of Table 1 in the Official Statement;

(iii) A schedule of water rates then in effect (not historical) broken down by the categories shown in Table 2 or such other categories as may be applicable;

(iv) Historical assessed valuation for the most recent five fiscal years, in substantially the form of Table 3 in the Official Statement; and

(v) The top ten local secured taxpayers for the most recent fiscal year by total revenue, in substantially the form of Table 4 in the Official Statement (except only the top ten taxpayers must be shown); and

(vi) A table of revenues, expenses and debt service coverage for the most recent fiscal year, in substantially the form of Table 7 in the Official Statement (except only the most recent fiscal year and no projection years must be shown).

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2025 Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of 2025 Bond holders, if material.

(8) 2025 Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the 2025 Bonds, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

Note: For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material (for definition of "financial obligation," see clause (c)).

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties (for definition of "financial obligation," see clause (c)).

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in subsections (a)(2), (a)(6), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) above, the District determines that knowledge of the occurrence of that Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected 2025 Bonds under the Indenture.

(c) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2025 Bonds. If such termination occurs prior to the final maturity of the 2025 Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint, engage or change a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District with respect to the 2025 Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2025 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the 2025 Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2025 Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other

information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent (if other than the District), the Participating Underwriter and the holders and beneficial owners from time to time of the 2025 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2025

SAN BENITO COUNTY WATER DISTRICT

By_____
Name:_____
Title:_____

ACCEPTED AND AGREED:

_____,
As Dissemination Agent

By_____
Authorized Representative

APPENDIX D

GENERAL INFORMATION ABOUT THE CITY OF HOLLISTER AND THE COUNTY OF SAN BENITO

*The following information concerning the County of San Benito (the "**County**") and the City of Hollister (the "**City**") is included only for the purpose of supplying general information regarding the service area for Zone 6. The 2025 Bonds are not a debt of the County, the City, the State of California (the "**State**") or any of its political subdivisions, and neither the County, the City, the State nor any of its political subdivisions is liable therefor. The City and the Underwriter take no responsibility for the accuracy or completeness of such information.*

General

The City. The City is approximately 6.6 square miles and is the county seat of San Benito County. The City is primarily an agricultural town located at the north end of the County, about 100 miles south of the City of San Francisco, 40 miles south of the City of San Jose, and 40 miles east of the City of Monterey. The City is located in California's Central Coast region, between the Gavilan and Diablo Ranges of the Santa Cruz Mountains. The City was incorporated in 1872 and maintains its heritage of agriculture and cattle ranching ambiance. Many outdoor recreational sites are near the City, including Pinnacles National Park, Hollister Hills State Recreational Area, San Justo Reservoir, and Thousand Trails Campground.

The County. San Benito County was created from parts of Monterey County in 1874. The County encompasses an area of approximately 1,390 square miles, shares a northern border with Santa Clara County, shares eastern borders with Merced and Fresno Counties, as well as a western border with Monterey County. The topography is marked by the Pinnacles National Park, which covers about 41 square miles of land, as well as mountain ranges such as the Diablo, Gabilan, Las Aguilas, and Santa Cruz mountains.

Population

The following table lists population estimates for the City, the County and the State for the last five years, as of January 1 each year.

CITY OF HOLLISTER, COUNTY OF SAN BENITO, STATE OF CALIFORNIA
Population Estimates
Years 2020 through 2024, as of January 1

Year	City of Hollister	San Benito County	State of California
2020	41,476	63,931	39,535,623
2021	41,860	64,642	39,327,868
2022	42,681	65,642	39,114,785
2023	42,547	65,165	39,061,058
2024	42,872	65,853	39,128,162

Source: State Department of Finance estimates (as of January 1).

Industry and Employment

The City is part of the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area ("**MSA**"), which is comprised of San Benito and Santa Clara Counties. The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 4.3 percent in January 2025, up from a revised 4.0 percent in December 2024, and unchanged from the year-ago estimate of 4.3 percent. This compares with an unadjusted unemployment rate of 5.5 percent for California and 4.4 percent for the nation during the same period. The unemployment rate was 7.1 percent in San Benito County, and 4.2 percent in Santa Clara County.

SAN JOSE-SUNNYVALE-SANTA CLARA MSA
Civilian Labor Force, Employment and Unemployment
Calendar Years 2016 through 2020
March 2023 benchmark

	2019	2020	2021	2022	2023
Civilian Labor Force [1]	1,081,000	1,056,200	1,041,900	1,063,700	1,071,400
Employment	1,053,000	980,100	991,100	1,034,300	1,033,000
Unemployment	28,000	76,100	50,900	29,400	38,300
Unemployment Rate	2.6%	7.2%	4.9%	2.8%	3.6%
Wage and Salary Employment: [2]					
Agriculture	5,600	5,300	5,000	4,800	4,700
Mining and Logging	200	200	200	200	200
Construction	53,000	50,100	51,700	53,800	53,600
Manufacturing	170,300	165,800	167,400	178,600	179,500
Wholesale Trade	31,400	29,200	28,300	28,900	29,000
Retail Trade	83,100	73,000	73,700	73,600	73,900
Transportation, Warehousing, Utilities	16,100	15,800	16,900	18,900	18,400
Information	100,600	105,900	107,100	106,000	97,900
Finance and Insurance	22,000	22,900	23,400	22,500	22,100
Real Estate and Rental and Leasing	15,900	15,100	15,100	15,700	15,900
Professional and Business Services	243,100	237,600	242,400	250,300	245,400
Educational and Health Services	178,700	172,700	178,400	187,000	196,100
Leisure and Hospitality	107,500	73,100	79,000	96,700	101,400
Other Services	28,900	22,100	22,800	25,400	26,400
Federal Government	10,000	10,700	10,500	10,200	10,100
State Government	6,900	7,000	6,900	7,000	7,000
Local Government	80,400	76,300	76,000	78,700	80,800
Total, All Industries [3]	1,153,700	1,082,700	1,104,500	1,158,100	1,162,400

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The following table lists the principal employers within the County of San Benito for fiscal year 2023-24.

COUNTY OF SAN BENITO
Principal Employers
Fiscal Year 2023-24

Company	Employees
Earthbound Farm	1,000 +
Hazel Hawkins Memorial Hospital	250 - 499
Milgard	250 - 499
Pacific Scientific	250 - 499
San Benito High School	250 - 499
True Leaf Farms	250 - 499
Nob Hill Foods	100 - 249
Target	100 - 249
Trical	100 - 249
Corbin	100 - 249
West Marine	100 - 249
Ridgemark	100 - 249
Casa de Fruta	100 - 249
Cedar Valley Shingle Systems	100 - 249
Tanimura & Antle	100 - 249
LifeSparc	100 - 249
MC Electronics	100 - 249
San Benito Foods	100 - 249

Source: San Benito County Chamber of Commerce.

The following table lists, in alphabetical order, the largest manufacturing and non-manufacturing employers within the County as of March 2025.

COUNTY OF SAN BENITO
Major Employers
As of March 2025
(In Alphabetical Order)

Employer Name	Location	Industry
Alpha Teknova Inc	Hollister	Biological Products (mfrs)
Calaveras Elementary School	Hollister	Parks
Coke Farm	San Jn Bautista	Farms
Corbin Sparrow	Hollister	Motorcycles-Supls & Parts-Manufacturers
Denise & Filice Packing Co	Hollister	Fruits & Vegetables-Wholesale
Earthbound Farm	San Jn Bautista	Marketing Programs & Services
Guerra Nut Shelling Co	Hollister	Roasted Nuts & Peanut Butter Manufacturing
Hdla	Hollister	School Districts
Nob Hill Foods	Hollister	Grocers-Retail
Pacific Harvest Seafoods	San Jn Bautista	Frozen Fruit/Fruit Juices/Vegs (mfrs)
Platinum Theatres Inc	Hollister	Theatres-Movie
R & R Labor	Hollister	Labor Contractors
R O Hardin Elementary School	Hollister	Schools
Rancho San Justo Middle School	Hollister	Schools
RANCHO SANTANA SCH PARENTS CLB	Hollister	Schools
San Benito Foods	Hollister	Canning (mfrs)
San Benito Foods	Hollister	Food Products & Manufacturers
San Benito High School	Hollister	Stadiums Arenas & Athletic Fields
San Benito Sheriff	Hollister	Sheriff
Target	Hollister	Department Stores
TJ Maxx	Hollister	Department Stores
Trical Inc	Hollister	Farms
Waste Management	Hollister	Garbage Collection
West Marine Distribution Ctr	Hollister	Distribution Centers (whls)
Willis Construction Co Inc	San Jn Bautista	Concrete Products-Except Block & Brick (mfrs)

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2025 1st Edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State, and the United States for the period 2021 through 2025.

CITY OF HOLLISTER, SAN BENITO COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
EFFECTIVE BUYING INCOME
As of January 1, 2021 through 2025

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2021	City of Hollister	$1,016,923	$73,401
	San Benito County	1,896,470	76,656
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Hollister	$1,154,040	$82,225
	San Benito County	2,197,265	86,809
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Hollister	$1,181,081	$79,229
	San Benito County	2,222,078	83,841
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Hollister	$1,431,437	$93,034
	San Benito County	2,661,740	98,409
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of Hollister	$1,502,113	$92,709
	San Benito County	2,745,117	97,495
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687

Source: Claritas, LLC.

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years in which data is available is shown in the following tables.

Total taxable sales during the first three quarters of calendar year 2024 in the City were

reported to be $376,050,363, a 7.76% decrease in the total taxable sales of $407,666,859 reported during the same comparable three quarters of calendar year 2023.

CITY OF HOLLISTER
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2019 through 2023
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2019	584	$351,659	1,005	$420,941
2020	626	362,998	1,101	438,778
2021	554	410,808	961	493,982
2022	557	448,113	957	527,173
2023	539	452,504	908	535,133

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first three quarters of calendar year 2024 in the County were reported to be $750,621,816, a 10.43% decrease in the total taxable sales of $838,022,529 reported during the same comparable three quarters of calendar year 2023.

COUNTY OF SAN BENITO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2019 through 2023
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2019	1,070	$459,056	1,780	$745,609
2020	1,121	529,369	1,910	834,801
2021	963	587,801	1,657	976,164
2022	965	624,569	1,675	1,029,965
2023	969	620,718	1,653	1,041,599

Source: State Department of Tax and Fee Administration.

Construction Activity

Provided below are the building permits and valuations for the City and the County for calendar years 2019 through 2023.

CITY OF HOLLISTER
Building Permit Valuation
(Dollars in Thousands)[1]

	2019	2020	2021	2022	2023
Permit Valuation					
New Single-family	$142,674.8	$85,711.1	$98,094.6	$71,929.0	$83,011.1
New Multi-family	548.7	1,399.5	0.0	0.0	14,300
Res. Alterations/Additions	1,999.2	1,336.2	1,012.6	1,096.1	1,443.3
Total Residential	145,222.7	88,446.8	99,107.2	73,025.1	98,754.4
New Commercial	9,154.7	12,442.7	705.9	15,817.3	93,539.1
New Industrial	434.7	0.0	0.0	0.0	0.0
New Other	1,418.5	462.0	734.5	588.9	2,690.8
Com. Alterations/Additions	2,935.2	1,260.1	1,460.0	2,859.3	8,623.6
Total Nonresidential	$13,943.1	$14,164.8	$2,900.4	$19,265.5	$104,853.5
New Dwelling Units					
Single Family	387	327	349	212	222
Multiple Family	2	8	0	0	96
TOTAL	389	335	349	212	318

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

SAN BENITO COUNTY
Building Permit Valuation
(Dollars in Thousands)[1]

	2019	2020	2021	2022	2023
Permit Valuation					
New Single-family	$219,517.1	$151,372.9	$131,136.6	$110,699.2	$114,428.9
New Multi-family	798.7	1,399.5	0.0	0.0	28,600.0
Res. Alterations/Additions	3,159.0	4,891.9	3,183.8	5,254.3	4,403.2
Total Residential	223,474.7	157,664.3	134,320.4	115,953.50	147,432.10
New Commercial	10,553.6	15,940.6	3,922.2	21,334.3	93,539.1
New Industrial	434.7	0.0	0.0	0.0	0.0
New Other	4,358.4	3,797.0	11,513.5	10,922.6	9,212.5
Com. Alterations/Additions	5,243.7	2,539.1	7,545.9	4,428.3	11,036.8
Total Nonresidential	20,590.4	22,276.7	22,981.6	36,685.2	$113,788.4
New Dwelling Units					
Single Family	634	539	457	328	303
Multiple Family	4	8	0	0	192
TOTAL	638	547	457	328	495

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

San Benito County Water District Financing Authority
1572 Railroad Avenue
St. Helena, CA 94574

OPINION: $_____ San Benito County Water District Financing Authority
2025 Water Revenue Bonds

Members of the Authority:

We have acted as bond counsel to the San Benito County Water District Financing Authority (the "Authority") in connection with the issuance by the Authority of its San Benito County Water District Financing Authority 2025 Water Revenue Bonds in the aggregate principal amount of $_____ (the "Bonds"), under an Indenture of Trust dated as of _____ 1, 2025 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as trustee, and under the provisions of Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code (the "Bond Law"). The Bonds are secured by Revenues as such term is defined in the Indenture, including installment payments (the "Installment Payments") made by the San Benito County Water District (the "District") under an Installment Sale Agreement dated as of _____ 1, 2025 (the "Installment Sale Agreement") between the Authority and the District.

We have examined such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority and the District contained in the Indenture, the Installment Sale Agreement and in the certified proceedings, and upon other certifications furnished to us, without undertaking to verify the same by independent investigation.

Based upon our examination we are of the opinion, under existing law, that:

1. The Authority is a joint powers agency duly organized and existing under the laws of the State of California, with power to enter into the Indenture, to perform the agreements on its part contained therein and to issue the Bonds.

2. The Bonds have been duly issued by the Authority and constitute legal, valid and binding special obligations of the Authority enforceable in accordance with their terms.

3. The Indenture and the Installment Sale Agreement have been duly authorized, executed and delivered by the Authority and constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

4. The Indenture establishes a valid lien on and security interest in the Revenues and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

5. The District is a municipal corporation duly organized and existing under the laws of the State of California, with power to enter into the Installment Sale Agreement and to perform the agreements on its part contained therein. The Installment Sale Agreement has been duly approved by the District and constitutes a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms. The Installment Sale Agreement establishes a valid lien on and security interest in the Net Revenues of Zone 6 and other funds pledged thereby for the security of the Installment Payments, in accordance with the terms of the Installment Sale Agreement.

6. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Authority and the District comply with all requirements of the Internal Revenue Code of 1986, as amended, which must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority and the District have covenanted in the Indenture, the Installment Sale Agreement and in other instruments relating to the Bonds to comply with each of such requirements, and the Authority and the District have full legal authority to make and comply with such covenants. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

7. Interest on the Bonds is exempt from California personal income taxation.

Interest on the Bonds may be subject to the corporate alternative minimum tax. We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above.

Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be, and neither the District nor the Underwriter take responsibility for the accuracy thereof.

Neither the issuer of the Bonds (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Bonds (the "Agent") take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (hereinafter, the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing

Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

[APPENDIX G]

[SPECIMEN MUNICIPAL BOND INSURANCE POLICY]

San Benito County Water District

Bond Financing Approvals

April 30, 2025

STIFEL | Public Finance

Overview

- **The District plans to borrow approximately $40 million to finance a portion of its planned ADRoP project**
  - Accelerated Drought Response Project (ADRoP) project estimated to cost $60 million
    - $20 million in grant funds committed to fund a portion of costs
    - $40 million in bond proceeds from the proposed bond sale

- **Proposed 2025 Water Revenue Bonds**
  - Not-to-exceed $42 million par amount
  - Issued by San Benito County Water District Financing Authority, a joint powers authority between the District and the California Statewide Communities Development Authority (CSCDA)
  - Secured by Installment Payments made by the District to the Authority from Net Revenues of Zone 6
  - The District covenants to fix, prescribe and collect charges for Zone 6 in each fiscal year sufficient to yield:
    - Net Revenues from Zone 6 of at least 120% of the Installment Payments and debt service on all parity obligations
    - Gross Revenues from Zone 6 at least 100% of the Zone 6 operating and maintenance costs, the Installment Payments and debt service on all parity obligations, and all other payments required to meet any other obligation of the District payable from Gross or Net Revenues of Zone 6
  - Issued on parity to three outstanding loans totaling $7 million
  - Standard & Poor's rating is expected this week

- **Board and Financing Authority approvals of bond financing requested**

Primary Financing Team Members

NHA Advisors, LLC
Municipal Advisor
- Advises the District on bond issuance process, structure, pricing, etc.
- Fiduciary duty to the District

CSCDA
Authority Formation
- Formed joint powers authority (JPA) with the District

Stifel Nicolaus & Co, Inc.
Underwriter
- Structures financing, sets prices, sells bonds to investors, delivers funds

Jones Hall
Bond & Disclosure Counsel
- Provides legal advice to issuer on financing, drafts primary bond legal documents
- Prepares Official Statement describing the security and its risks for investors

The District
Borrower
- Selects financing team
- Determines borrowing needs and key parameters of debt
- Approves offering materials
- Authorizes issuance of bonds

Stradling, Yocca, Carlson & Rauth
Underwriter's Counsel
- Represents the underwriter
- Drafts the Bond Purchase Agreement
- Leads due diligence process

Raftelis
Rate Consultant
- Analyzed rate structure and estimated future revenues
- Prepared 2023 Rate Study

Spurzem & Liem LLP
Issuer's Counsel
- Advises issuer on legal documents and bond disclosure, provides legal opinions on issuer actions

U.S. Bank
Trustee
- Commercial bank who administers bond payments and holds certain bond funds

Standard & Poor's
Rating Agency
- Assesses credit quality of the bond issuance

Key Steps in Bond Financing Process

Financing team has proceeded since initial Board presentation in October 2024

I. Development of Financing Plan

- **Engage financing team**
  - Municipal Advisor, Bond Underwriter, Bond and Disclosure Counsel, Trustee, Rate Consultant
- **Analyze financing options**
  - Clarify project needs and timing, tax law constraints, consider options for the project and future capital needs

II. Preparation of Bond Sale

- **Draft legal and disclosure documents and conduct due diligence**
  - Preliminary Official Statement (POS) summarizes the District, its financials, the bond security and potential risks
- **Seek bond rating from Standard & Poor's rating agency**
  - Provides an independent credit assessment of the District's proposed financing for potential investors
- **Board consideration of bond financing**
  - Must approve the form of legal documents, the draft POS and the financing parameters

III. Bond Pricing/Closing

- **Bond marketing and pricing**
  - Underwriter distributes the District's POS to potential investors, solicits investor interest, and sets interest rates
- **Bond pre-closing and closing**
  - Documents are executed and then funds are delivered at closing, about two weeks after pricing

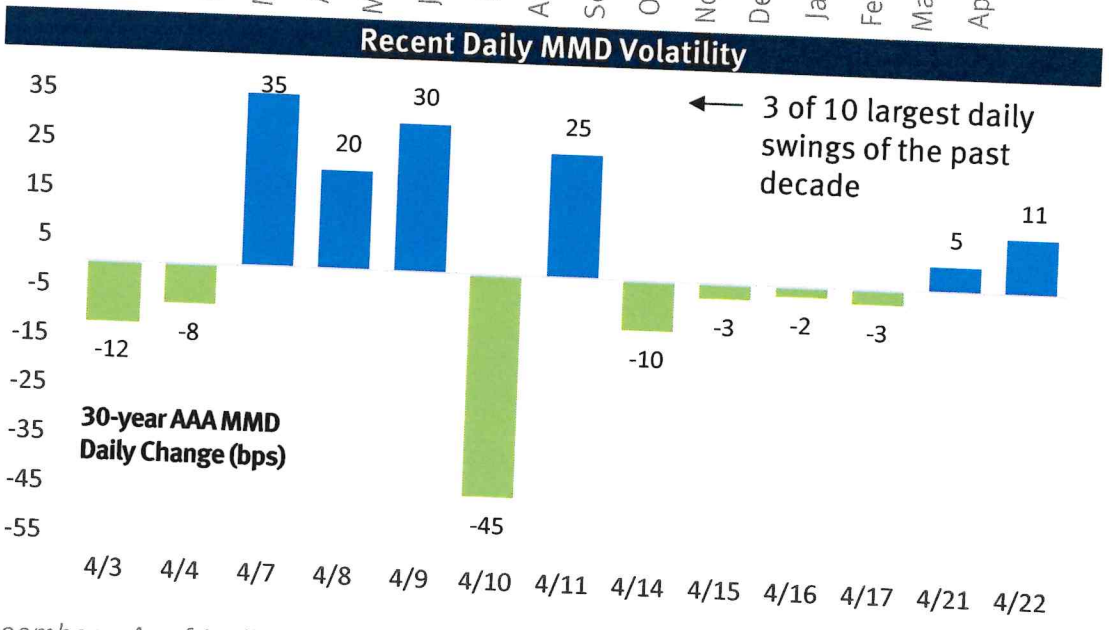
Requested Board and Financing Authority Approvals

- **District Resolution and Authority Resolution**
  - Approve bond financing within specified parameters and approve form of key documents
- **Installment Sale Agreement**
  - Contract between the District and the Authority for the District to purchase the bond-financed project through Installments paid to the Authority
- **Indenture of Trust**
  - Between the Authority and U.S. Bank, serving as bond trustee
  - Details legal structure of security: payment dates, establishment of bond accounts, flow of funds, parity debt conditions, redemption provisions (call features), covenants, events of default and remedies, permitted investments
- **Official Statement (Preliminary and Final)**
  - The "selling document" for the Bonds, describes the District, the project, legal security and potential risks
  - The Preliminary Official Statement (POS) is "substantially complete" except for pricing details
  - The Final Official Statement will include final pricing details and CUSIPs, any material changes since POS
- **Continuing Disclosure Agreement**
  - Included as an attachment to the Official Statement
  - The District agrees to provide certain ongoing information updates to the market while Bonds remain outstanding
- **Bond Purchase Contract**
  - Contract among Stifel, the District and the Authority signed on date of pricing
  - Specifies interest rates, principal amounts, underwriter's discount, and closing conditions

Current Municipal Bond Market Conditions

- **Fed policy and economic data had been driving interest rates**
  - Upward trend despite three Fed cuts totaling 1% since September 2024
- **Trade war triggered recent volatility**
  - Unexpectedly-large global tariffs announced on April 2
  - Sharp equity market drops spurred initial bond rally "flight to quality"
  - Reversed sharply amid fears of resurgent inflation, unwinding hedges and bond fund withdrawals
  - Compounded by large new issuance calendar, heavy market inventory, tax season withdrawals, and lingering fear of threats to municipal tax-exemption
  - Some recovery since 90-day "pause" on most tariffs announced on April 9
- **Continued market fragility**
  - Pressure on Fed Chairman Powell adds to market jitters
  - Municipal bond yields no longer outperforming Treasury yields

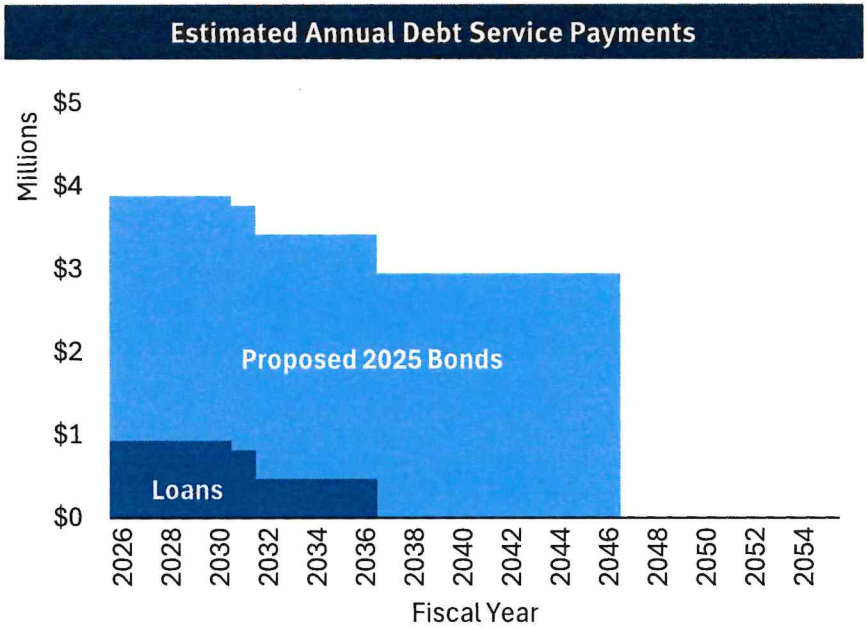




Sources: Lipper, Thomson Reuters, SIFMA, IHS Markit, Bloomberg. As of April 22, 2025.

Preliminary Estimates for 2025 Bond Financing

- **Assumptions:**
  - Credit rating in "AA" rating category
  - Current market conditions as of April 22, 2024
  - Bond closing in May 2025
  - Bonds sized to $40 million project fund deposit
  - Principal amortizing August 1, 2026 through 2045
  - Level annual fiscal year payments
- **Financing results:**
  - True interest cost of about 4.28%
  - Average annual debt service payment of about $3 million each fiscal year
  - Total fiscal year payments, including outstanding loans, of approximately $3.9 million
  - FY24 Net Revenues of $16.1 million
  - Projected Net Revenues through FY29 expected to provide debt service coverage of over 370%



1) Preliminary and subject to change. 2) The actual results may differ, and Stifel makes no commitment to underwrite at these levels. 3) The use of an investment grade credit rating is consistent with the rating of similar bonds. 4) The interest rates assumed in this analysis are based on current market conditions and similar credits. 5) Costs of issuance and underwriter's discount are estimates for discussion purposes.

Regulatory Disclosure

Stifel, Nicolaus & Company, Incorporated ("Stifel") has been engaged or appointed to serve as an underwriter or placement agent with respect to a particular issuance of municipal securities to which the attached material relates and Stifel is providing all information and advice contained in the attached material in its capacity as underwriter or placement agent for that particular issuance. As outlined in the SEC's Municipal Advisor Rule, Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the engagement.

Stifel is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm's- length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its' own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

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San Benito County Water District
Agenda Transmittal

Agenda Item: **10**

Meeting Date: April 30, 2025

Submitted By: Dana Jacobson

Presented By: Dana Jacobson

Agenda Title: Annual Groundwater Report 2024

Detailed Description:

The San Benito County Water District (District or SBCWD) was formed in 1953 by a special act (District Act) of the State with responsibility and authority to manage groundwater. Section 7.6 of the District Act (Act) states that "the Board may … require the district to annually prepare an investigation and report on conditions of the district and zones thereof". The Act requires the condition assessment to include all of the reporting parameters as identified in Section 7.6 (a)-(j).

In 2014, the State of California passed the Sustainable Groundwater Management Act (SGMA). SGMA requires local agencies to form Groundwater Sustainability Agencies (GSAs) for the high and medium priority basins. The District is the Groundwater Sustainability Agency for the North San Benito Basin. Similar to the Act, SGMA requires the completion of an annual Groundwater Report.

The Annual Groundwater Report, prepared by Todd Groundwater, describes groundwater conditions in the North San Benito Basin, a subbasin of the Gilroy-Hollister Basin. Acceptance of this Annual Groundwater Report fulfills the requirements of the Act and SGMA.

The Annual Groundwater Report documents water sources and uses, groundwater elevations and storage, and management activities for the water year and provides recommendations to manage activities. The report also details the six Sustainable Management Criteria and their respective minimum thresholds.

Prior Committee or Board Action: None

Financial Impact: _____Yes ____X____ No

Material Included for Information/Consideration:
Annual Groundwater Report 2024
PowerPoint Presentation

Recommendation: Board to Receive and Accept Annual Groundwater Report 2024.

Action Required: _____Resolution _____X_____ Motion _____Review

---

Board Action

_____Resolution No.___ Motion By_____ Second By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

March 2025

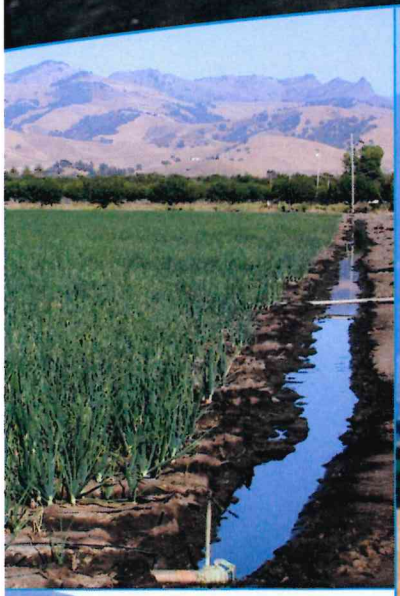




SAN BENITO COUNTY WATER DISTRICT
ESTABLISHED
NOV. 3, 1953
HOLLISTER, CA

Annual Groundwater Report

Water Year 2024







TODD GROUNDWATER

NORTH SAN BENITO ANNUAL GROUNDWATER REPORT 2024

March 2025

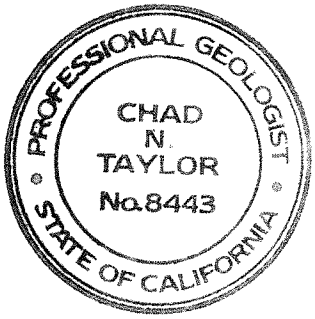
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510.747.6920
www.toddgroundwater.com

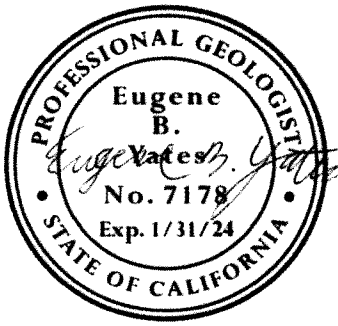
SIGNATURE PAGE

Iris Priestaf, PhD
President









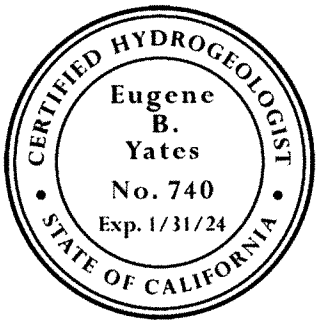


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EXECUTIVE SUMMARY

This Annual Groundwater Report describes groundwater conditions in the North San Benito Basin, a subbasin of the Gilroy-Hollister Basin. Consistent with Annual Groundwater Reports prepared by the San Benito County Water District for decades, this report fulfills requirements of the 1953 San Benito County Water District Act (California Water Code Appendix 70). This Annual Groundwater Report also fulfills requirements of the 2014 Sustainable Groundwater Management Act (SGMA). In brief, this report incorporates adaptive management; it strives to maintain consistency with past Annual Reports while fulfilling requirements for SGMA Annual Reports and supporting sustainable groundwater management into the future.

SGMA requires sustainable management of priority groundwater basins and empowers local Groundwater Sustainability Agencies (GSAs) to manage groundwater resources. San Benito County Water District GSA (SBCWD GSA), in partnership with Valley Water (known as Santa Clara Valley Water District prior to 2019) GSA, has developed a Groundwater Sustainability Plan (GSP) for the North San Benito Basin. The North San Benito Basin is predominantly in San Benito County with small areas in Santa Clara County. The North San Benito GSP was adopted by SBCWD and Valley Water GSA and was submitted to the California Department of Water Resources (DWR) in January 2022. The 2022 GSP provides the basic information, analytical tools, and projects and management actions for continued groundwater management, guided by SGMA and by locally defined sustainability goals, objectives, and metrics. The GSP was approved by DWR in July 2023.

This Annual Groundwater Report for San Benito County Water District (SBCWD or District) documents water sources and uses, groundwater elevations and storage, and management activities for Water Year 2024 and provides recommendations. This Report also details the six Sustainable Management Criteria and their respective Minimum Thresholds (MTs).

Water Year 2024 was an above average water year and was characterized by above average rainfall, 50 and 75 percent Central Valley Project (CVP) allocations for agricultural and M&I users, and increased groundwater storage in most of the Basin. The water year spans two USBR contract years (March 2022 – February 2023 and March 2023 – February 2024. The first part of Water Year 2024 saw 100 percent CVP allocations while the latter half saw above average CVP allocations. The combined effects can be seen in the Basin as continued recovery from the severe drought of 2020-2022.

The District had been able to leverage the CVP allocations, with over 70 percent of municipal demand served by imported water. Municipal groundwater demand was reduced by 35 percent. Additional CVP supply was available to agriculture but groundwater demand remained similar to last year, likely due to the increased ET needs in Water Year 2024 which was warmer and drier than the very wet year of Water Year 2023.

The groundwater basin continues to serve as an important reserve in situations of drought, limited CVP allocation, or system disruptions. The District has effectively managed groundwater resources in San Benito County for reliable and sustainable supply. Groundwater levels and storage remain sustainable and are regularly monitored at Key Wells (also termed Representative Monitoring Sites or RMS) with reference to Minimum Thresholds (MTs). Only 1 of 22 Key Wells showed measurements below its respective MT levels and no basin-wide thresholds were triggered for a Management Area (MA) during the water year. Groundwater levels in the Key Wells will continue to be monitored and the monitoring network itself will be assessed regularly. The District has replaced four Key Wells that were no longer

accessible for water level measurement. These wells have been assigned a temporary MT based on their historic lows. All of the MTs will be revised during the next period evaluation and update of the GSP.

Working collaboratively with other agencies, the District has eliminated historical overdraft, developed and managed multiple sources of supply, established an effective water conservation program, protected water quality, and provided annual reporting. Water Year 2024 witnessed approval of the GSP, grant awards to implement GSP projects and the continuation of collaborative efforts. This Annual Report includes an update on many of the Projects and Management Actions (PMAs) including managed aquifer recharge (MAR), monitoring program improvements, Master Plan Update, pursuit of funding for various projects, and information about the District's funding mechanisms.

1-INTRODUCTION

This Annual Groundwater Report describes groundwater conditions in the North San Benito Basin (**Figure 1-1**), a subbasin of the Gilroy-Hollister Basin. Consistent with Annual Groundwater Reports prepared for decades by the San Benito County Water District (SBCWD or District), this report fulfills requirements of the 1953 San Benito County Water District Act (California Water Code Appendix 70). The District Act authorizes the Board of Directors, at its discretion, to direct staff to prepare an annual investigation and report on groundwater conditions of the District and its zones of benefit, such as Zone 6, the area for distribution of Central Valley Project (CVP) water. As documented in **Appendix A**, the District Act specifies the minimum content of the report to be prepared at the direction of the District Board of Directors. This Annual Report fulfills the requirements for a District Annual Report, including a brief Annual Groundwater Memorandum Report prepared for the January 13, 2025, meeting of the Board of Directors (in Appendix A). This Annual Report also provides information to the Board of Directors on the status of the groundwater basin, estimated conditions in the next year, and management recommendations.

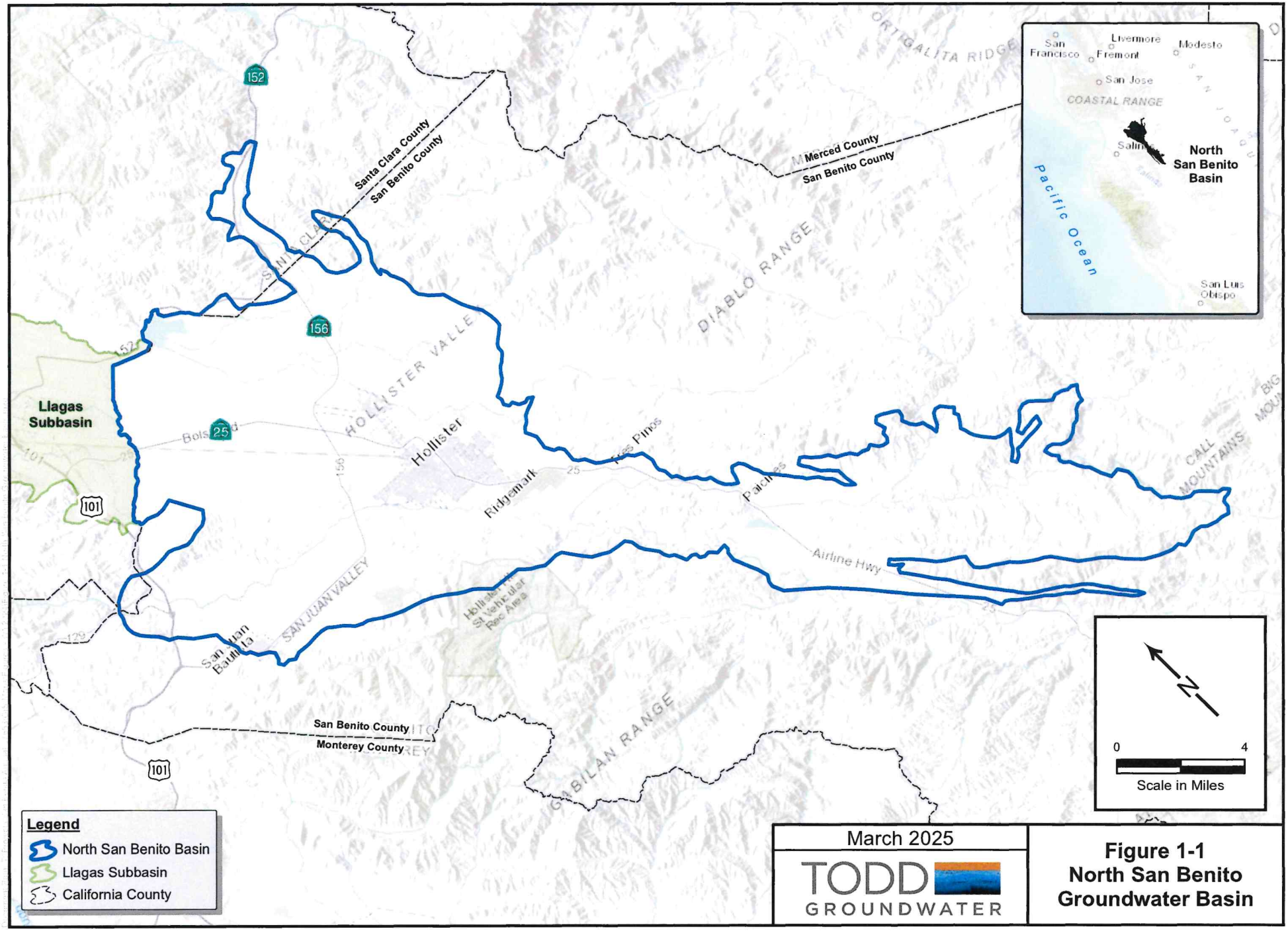
This Annual Groundwater Report also fulfills the requirements of the 2014 Sustainable Groundwater Management Act (SGMA). SGMA requires sustainable management of medium and high priority groundwater basins and empowers local Groundwater Sustainability Agencies (GSAs) to manage groundwater resources. San Benito County Water District GSA (SBCWD GSA), in partnership with Valley Water GSA, has developed a Groundwater Sustainability Plan (GSP) for the medium priority North San Benito Basin, which encompasses the historically defined Bolsa, Hollister, and San Juan Bautista Subbasins of the Gilroy-Hollister Basin and the Tres Pinos Valley Basin. The North San Benito Basin is predominantly in San Benito County with small areas in Santa Clara County. As presented in the North San Benito Groundwater Sustainability Plan (Todd 2021), the North San Benito Groundwater Basin has been divided into four management areas, shown in **Figure 1-2**, which have been defined to facilitate implementation of the GSP.

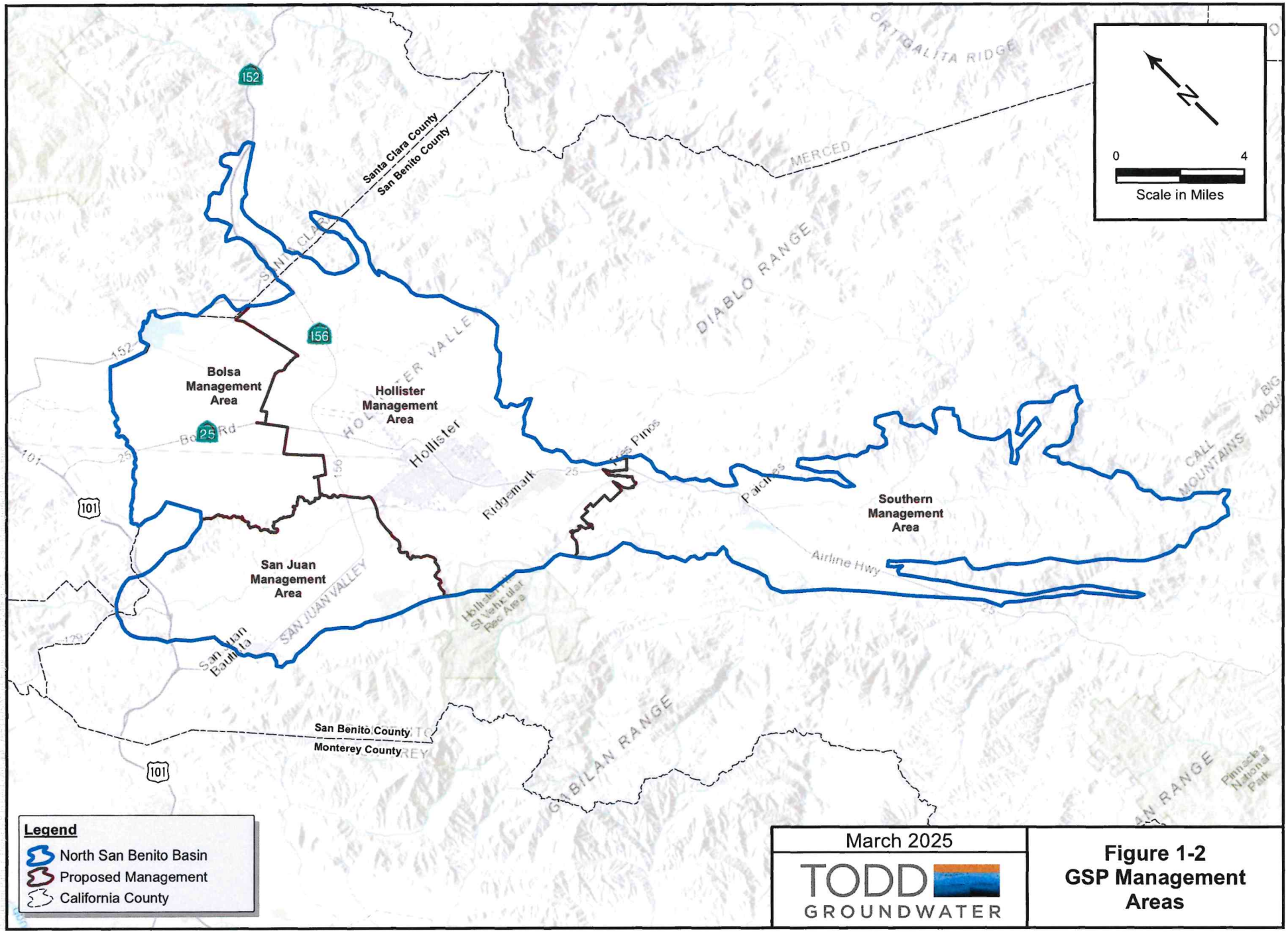
In accordance with SGMA, this Annual Report documents water supply sources and use, groundwater elevations and storage, and management activities from October 2023 through September 2024. The SGMA elements guide, detailing the required SGMA components, is included in **Appendix A**. This Annual Report conveys considerable data, including tables and figures, which are provided largely in **Appendices B through G**. **Appendix F** provides information on water rates and charges and **Appendix H** contains a list of acronyms.

The 2024 Annual Groundwater Report incorporates adaptive management; it strives to maintain consistency with past Annual Reports while fulfilling requirements for SGMA Annual Reports and supporting sustainable groundwater management into the future.

Acknowledgments

This report was prepared by Maureen Reilly, PE, , Gus Yates PG, CHG, Iris Priestaf, PhD, and Chad Taylor, PG, CHG of Todd Groundwater. We appreciate the assistance of San Benito County Water District staff, particularly Dana Jacobson, Brett Miller, CPA, CPFO, Jeff Cattaneo, PE, and David Macdonald, PE.


Llagas Subbasin
Hollister
Ridgemark
Paicines
Airline Hwy
Santa Clara County
San Benito County
Merced County
San Benito County
San Benito County
Monterey County
DIABLO RANGE
GABILAN RANGE
SAN JUAN VALLEY
HOLLISTER VALLE
COASTAL RANGE
Pacific Ocean
North San Benito Basin
San Francisco
Livermore
Fremont
Modesto
San Jose
San Luis Obispo
152
156
25
101
129
0
4
Scale in Miles
Legend
North San Benito Basin
Llagas Subbasin
California County
March 2025
TODD GROUNDWATER
Figure 1-1
North San Benito
Groundwater Basin


Bolsa Management Area
Hollister Management Area
San Juan Management Area
Southern Management Area
Santa Clara County
San Benito County
San Benito County
Monterey County
Hollister
Ridgemark
Tres Pinos
Paicines
Airline Hwy
SAN JUAN VALLEY
DIABLO RANGE
GABILAN RANGE
MERCED
ORTIGALITA RIDGE
CALL MOUNTAINS
Pinnacles National Park
152
156
25
101
N
0
4
Scale in Miles
Legend
North San Benito Basin
Proposed Management
California County
March 2025
TODD GROUNDWATER
Figure 1-2
GSP Management Areas

2 – GEOGRAPHIC AREA

This Annual Report describes conditions in the North San Benito Basin (Basin),[1] located predominantly in San Benito County with small areas in Santa Clara County. Consistent with the North San Benito GSP, it uses groundwater basin boundaries described in DWR Bulletin 118 (DWR Basin 3-003.005), California's Groundwater Update 2020. In addition to Bulletin 118, the geographic areas and boundaries of local groundwater subbasins have been defined differently by SBCWD for its management purposes. The previous and current boundaries are described here to provide a bridge between previous annual reports and the current SGMA analyses and reporting.

DWR-Defined Basin

The areas of focus for the annual reports are the Management Areas (MAs), shown on Figure 1-2. The four MAs were defined in the North San Benito GSP to facilitate implementation. Major factors in defining the MAs within the Basin were watersheds and particularly, availability of water sources and zones of benefit. SBCWD provides local surface water from Hernandez and Paicines reservoirs to the zone of benefit, Zone 3, and provides CVP water to Zone 6.

The four Management Areas are listed below with the SBCWD-defined subbasins that they generally encompass:

- Southern MA
- Hollister MA (includes Tres Pinos, Hollister East and West, Bolsa SE, Pacheco subbasins)
- San Juan MA (includes almost all District-defined San Juan subbasin)
- Bolsa MA (includes almost all District-defined Bolsa subbasin)

Hollister and San Juan MAs include portions of Zone 6; Southern and Bolsa MAs do not.

Ongoing District Monitoring Programs

Data from monitoring programs undertaken by local, state, and federal agencies are summarized below as currently incorporated in the Annual Report. The District data compilation and monitoring programs are being expanded and revised as data needs are identified through the GSP process, for example to address topics such as potential groundwater dependent ecosystems, and to represent the entire North San Benito Basin with appropriate detail.

[1] The official name is North San Benito Subbasin of the Gilroy Hollister Basin, DWR Basin Number 3-003.05. For this report, it is referred to as North San Benito Basin to clearly differentiate it from previous DWR-defined and SBCWD-defined subbasins. As a matter of context, **Figure C-1** in **Appendix C** shows all DWR Bulletin 118 groundwater basins that are wholly or partially in San Benito County.

2 – GEOGRAPHIC AREA

Climate. Climate data are regularly compiled from DWR's California Irrigation Management Information System (CIMIS) and include total solar radiation, soil temperature, air temperature/relative humidity, wind direction, wind speed, and precipitation. Additional precipitation data are available from the Western Regional Climate Center (WRCC) station at Hollister from 1934-2024 (WRCC, 2024). For the Annual Groundwater Reports, historical annual precipitation data have been compiled and reported using the Hollister rain gage for the long-term precipitation and the CIMIS San Benito station for recent monthly precipitation. Monthly precipitation and evapotranspiration for the Hollister No. 126 CIMIS station are tabulated in **Appendix B**.

Groundwater levels. SBCWD has had a semi-annual groundwater level monitoring program since Water Year (Water Year) 1977; groundwater level data gathered by the United States Geological Survey (USGS) and other agencies are available as early as 1913 (Clark, 1924). The Annual Groundwater Reports provide quarterly groundwater level data organized by year in **Appendix C**. The data are the basis for groundwater hydrographs and for numerical model updates with preparation of groundwater level contour maps, change maps, and storage change computations. The SBCWD monitoring program includes wells in the Pacheco Valley in Santa Clara County provided by Valley Water. Valley Water's monitoring program also provides data for the southern Llagas Subbasin; which are important to verify groundwater flow across the Llagas-North San Benito subbasin boundary. SBCWD reports water levels for SGMA Key Wells through the SGMA portal.

Reservoirs. The Annual Report summarizes reservoir water budget information for Hernandez, Paicines, and San Justo reservoirs and provides annual total releases from Hernandez and Paicines reservoirs from Water Year 1996 to present. Reservoir storage and release data are available in **Appendix D**.

Surface water flows and percolation. Surface water monitoring and percolation amounts are summarized in **Appendix D**. For Water Year 1994 to present, percolation of imported CVP water is documented in **Table D-3** and percolation of wastewater is shown in **Tables D-4 and D-5**. The District temporarily suspended its surface water monitoring network in 2019 but plans to relaunch surface water monitoring at selected sites as part of SGMA implementation.

Wells and groundwater pumping. SBCWD has monitored groundwater pumping in Zone 6 using electrical and motor hour meters. Pumping amounts are calculated semiannually by metering the number of hours of pump operation and multiplying by the average discharge rate. However, other estimates of pumping have indicated that the power and hour meters underestimate pumping. Irrigation pumping beyond Zone 6 is not monitored but has been estimated for regular water budget updates based on land use information and water use factors. This method of estimating groundwater pumping will be replaced as part of SGMA implementation. The District is currently investigating new water use monitoring programs (like OpenET) that will address the entire GSP area and will be documented in future Annual Reports. Estimation of groundwater pumping using the numerical model by major use category and MA is described in Section 5, which also provides information on CVP use in Zone 6 and recycled water use. **Appendix E** contains additional information on water use.

Water quality. In 1997, SBCWD initiated a program for monitoring nitrate and electrical conductivity (EC) in wells. In 2004, SBCWD established a comprehensive water quality database with records from all water systems and regulated facilities. State-wide sources of groundwater quality data include the Water Data Library (WDL), Geotracker/GAMA program, and the State Water Resources Control Board's

Division of Drinking Water. The SBCWD database is updated and reviewed annually with detailed triennial assessment as described in the GSP; a triennial update of water quality was prepared for the Water Year 2022 Annual Report and will be included in the Water Year 2025 report. The triennial analyses contain information about the database update and a review of the water quality data. **Appendix F** contains additional information on water quality last updated for the Water Year 2022 analysis.

Units and accuracy. Throughout this report, water volumes and changes in storage are shown to the nearest acre-foot (AF). These values are accurate to one to three significant digits (depending on the measurement). All digits are retained in the text to maintain as much accuracy as possible during subsequent calculations, but results should be rounded appropriately.

3 – BASIN CONDITIONS

The Annual Report summarizes basin conditions including climate, groundwater elevations, groundwater storage, and groundwater level trends. Overall, Water Year 2024 was characterized by above normal precipitation. This marks the second year in a row with above normal conditions; Water Year 2023 was a wet year.

Climate

Assessment of climatic conditions begins with collection of climate data (rainfall and evapotranspiration), which are summarized in **Appendix B**. Local climate data are compiled on a monthly basis and reviewed annually. Local rainfall and evapotranspiration is a variable that affects basin inflows (e.g., deep percolation) and outflows (groundwater pumping). Recognizing that drought often is extensive across Northern California, local dry years also may be indicative of regional drought and reduced CVP allocations. Dry years often are characterized by reduced local recharge from deep percolation and increased groundwater pumping for agricultural irrigation to offset lack of rainfall and CVP supply.

In Water Year 2024, overall precipitation was 15.5 inches; monthly totals are shown in **Figure 3-1.** Water Year 2024 was an above normal year; the annual precipitation was 120 percent of average (12.9 inches). December, January, February, and March received higher than normal precipitation (Figure 3-1). Monthly rainfall and evapotranspiration data from Water Year 1996 to Water Year 2024 are presented in **Appendix B**. **Figure 3-2** shows annual precipitation and water year type from 1976 through 2024. As illustrated, Water year 2024 rainfall was an above normal year, marking the second year in a row of above normal precipitation as Water Year 2023 was wet. Precipitation data collected through February 2025 (6.6 inches) indicate that Water Year 2025 may be a dry or below average year.

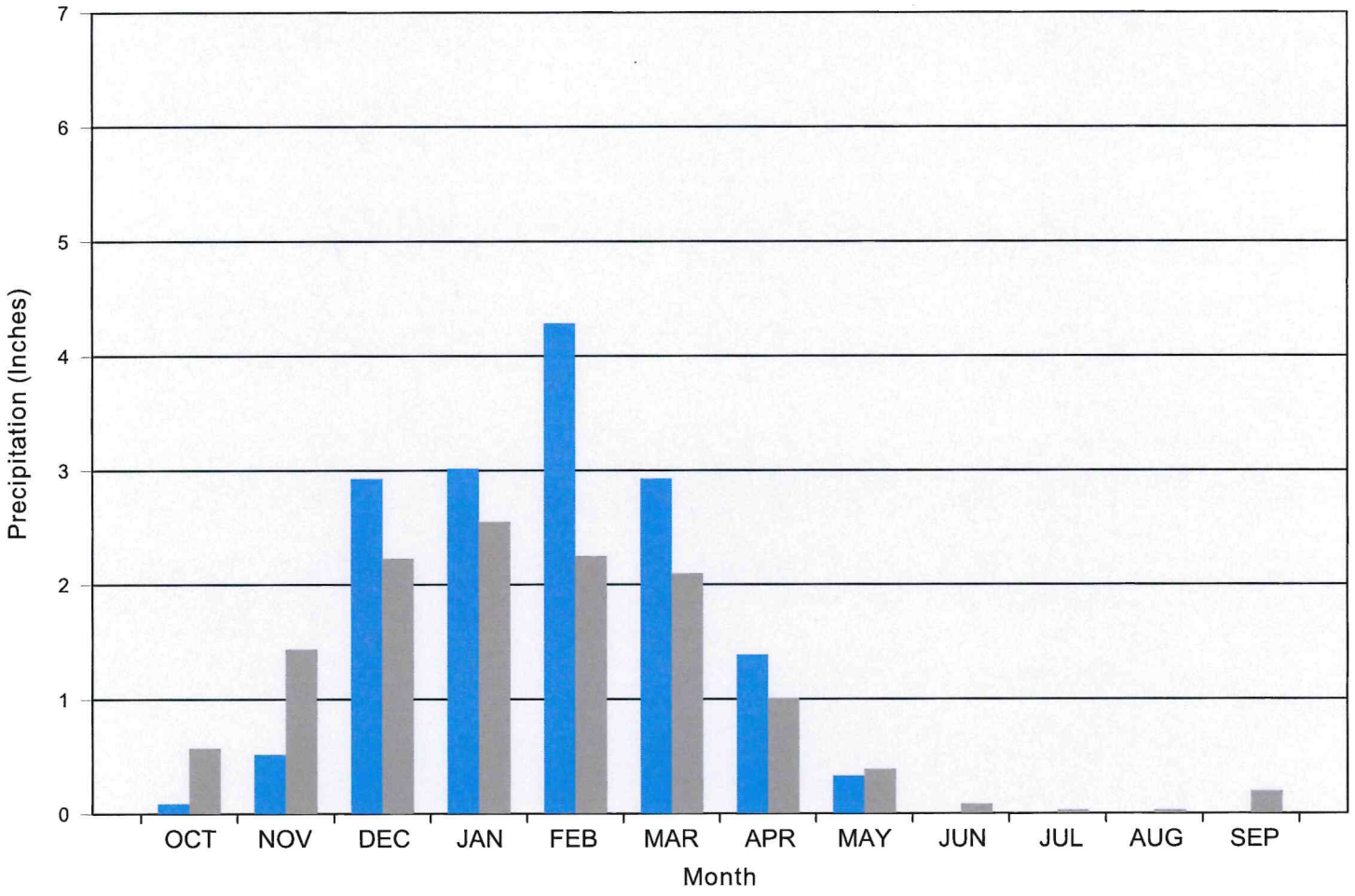
Groundwater Elevations

In October 2024, SBCWD collected groundwater elevations in 137 wells from their existing network including nine wells monitored by Valley Water. Recent monitoring included an additional 38 wells which SBCWD has been unable to monitor due primarily to changes in accessibility. SBCWD is investigating these changes in accessibility and hopes to return these wells to the network or to identify appropriate replacements.

Figure 3-3 shows well locations in the current SBCWD monitoring network, including wells previously monitored. Wells monitored in Water Year 2024 are indicated by blue circles, wells that have been monitored within the past five years but have been recently inaccessible are shown by yellow circles, and wells monitored anytime in the past are shown by gray circles. Five wells monitored by the District and two wells monitored by Valley Water are recommended to be removed from the monitoring program as these wells have been destroyed or are no longer planned to be monitored, these wells are shown in red. **Figures 3-4** through **3-7** show hydrographs for key wells in the basin with their respective minimum thresholds (MTs). Additional information on these key wells can be found in **Appendix C**,

Section 5 (Water Balance), and Section 7 (SGMA Indicators). The MTs, shown as red lines on the hydrographs, were developed in the GSP to assess sustainability and minimize any risk to nearby domestic wells of future low-water levels (see Section 7).

Because several key wells for groundwater elevations are unable to be monitored and/or showed inconsistent groundwater elevations, new wells were added to the network. This is illustrated on **Figure 3-6** by Well 13-5-6L1, which is a relatively new monitoring well where groundwater elevations have ranged 100 feet over the past 10 years. A new well, DB-1, has been added to the key well network to provide additional information for this location. The replacement wells and their sustainable management criteria are detailed in Section 7 (SGMA Indicators).



2024 - (15.5 in)

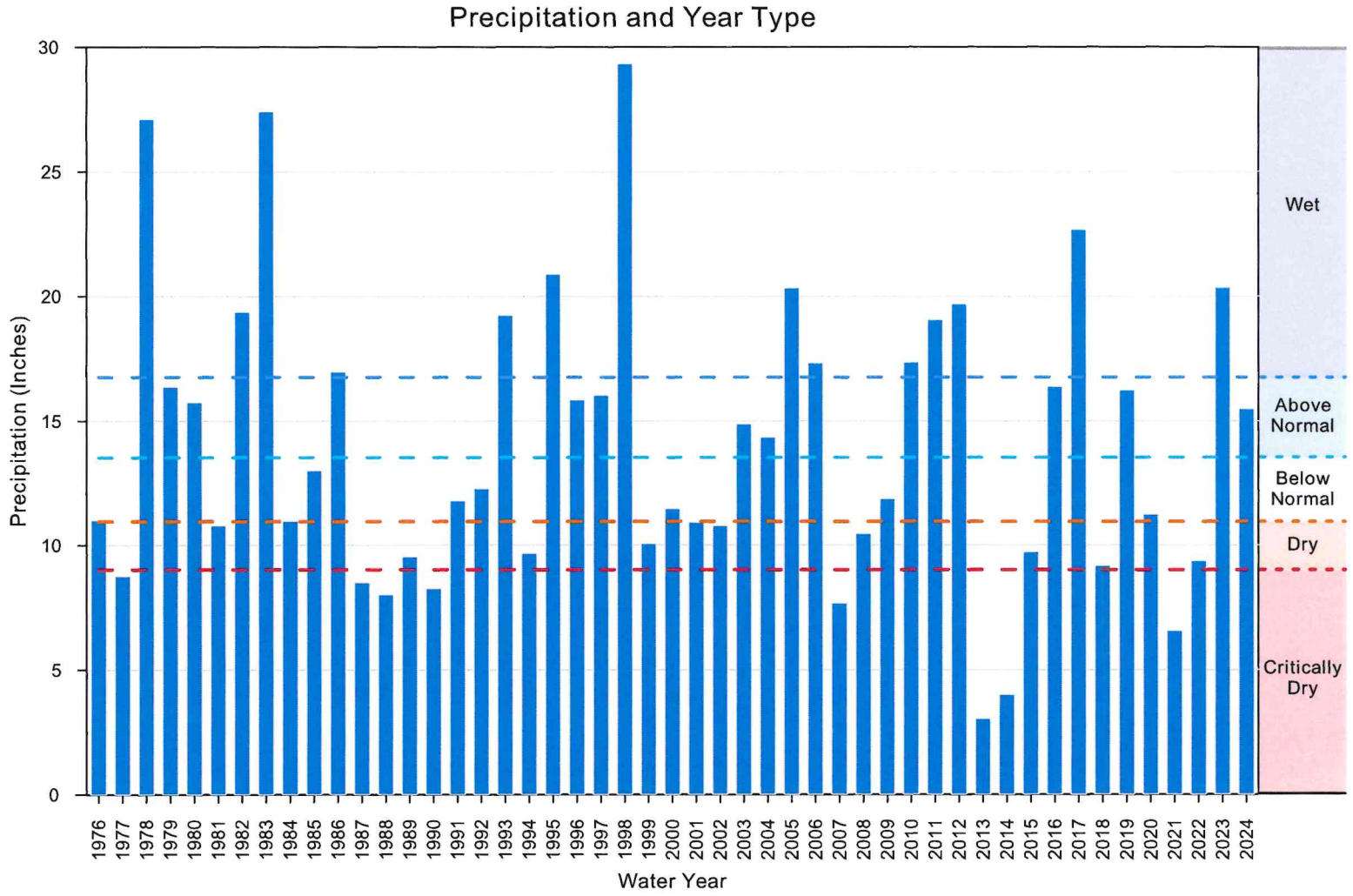
Average - (12.9 in)

Source: CIMIS

March 2025

TODD GROUNDWATER

Figure 3-1
Water Year 2024
Precipitation

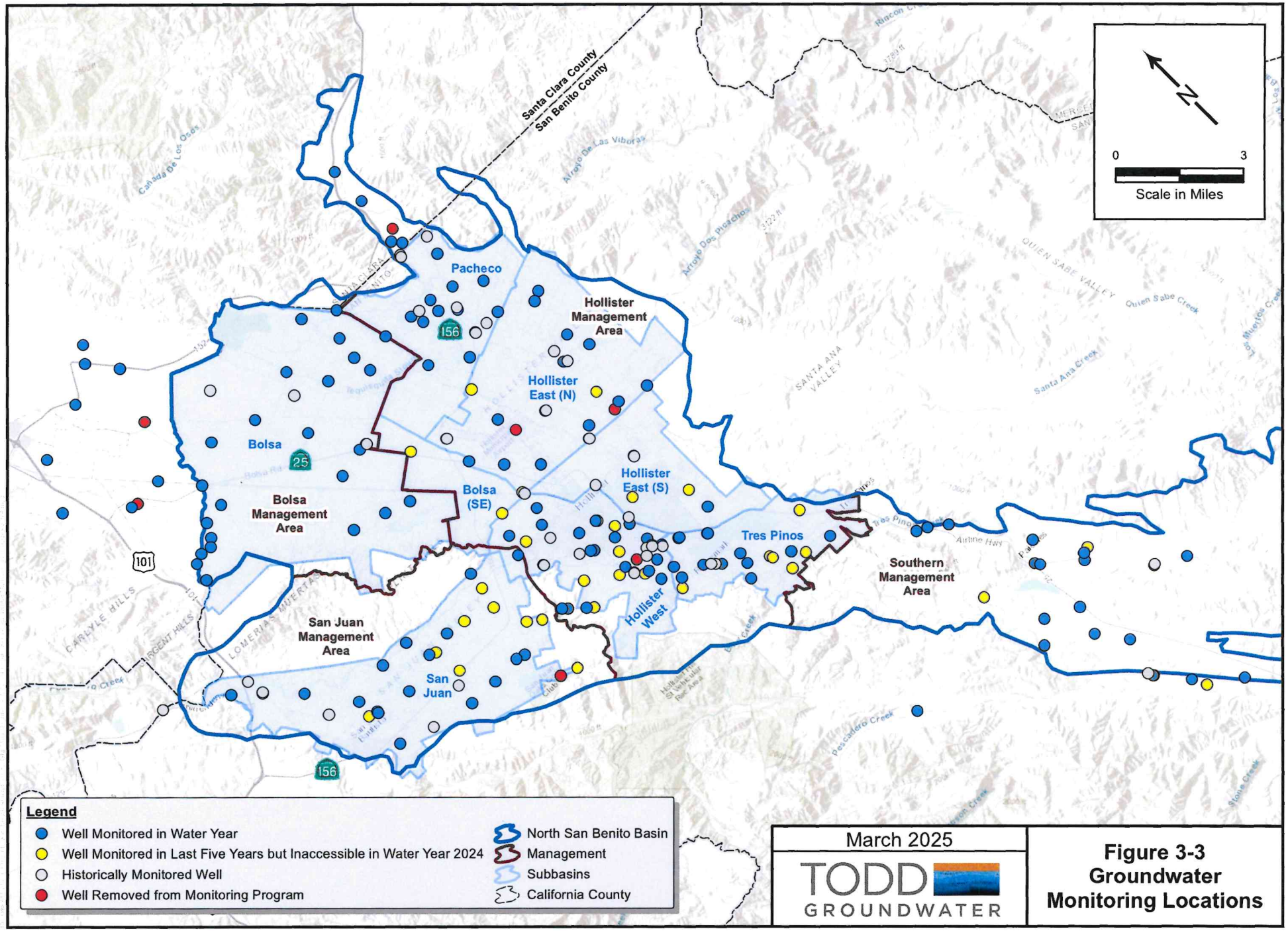


Source: WRCC Hollister 1 and Hollister 2 Stations

March 2025

TODD GROUNDWATER

Figure 3-2
Annual Precipitation
1976-2024


Santa Clara County
San Benito County
Pacheco
Hollister Management Area
Hollister East (N)
Bolsa
Bolsa Management Area
Bolsa (SE)
Hollister East (S)
Tres Pinos
Southern Management Area
Hollister West
San Juan Management Area
San Juan
156
25
101
N
0
3
Scale in Miles
Legend
Well Monitored in Water Year
Well Monitored in Last Five Years but Inaccessible in Water Year 2024
Historically Monitored Well
Well Removed from Monitoring Program
North San Benito Basin
Management
Subbasins
California County
March 2025
TODD GROUNDWATER
Figure 3-3
Groundwater
Monitoring Locations

3 – BASIN CONDITIONS

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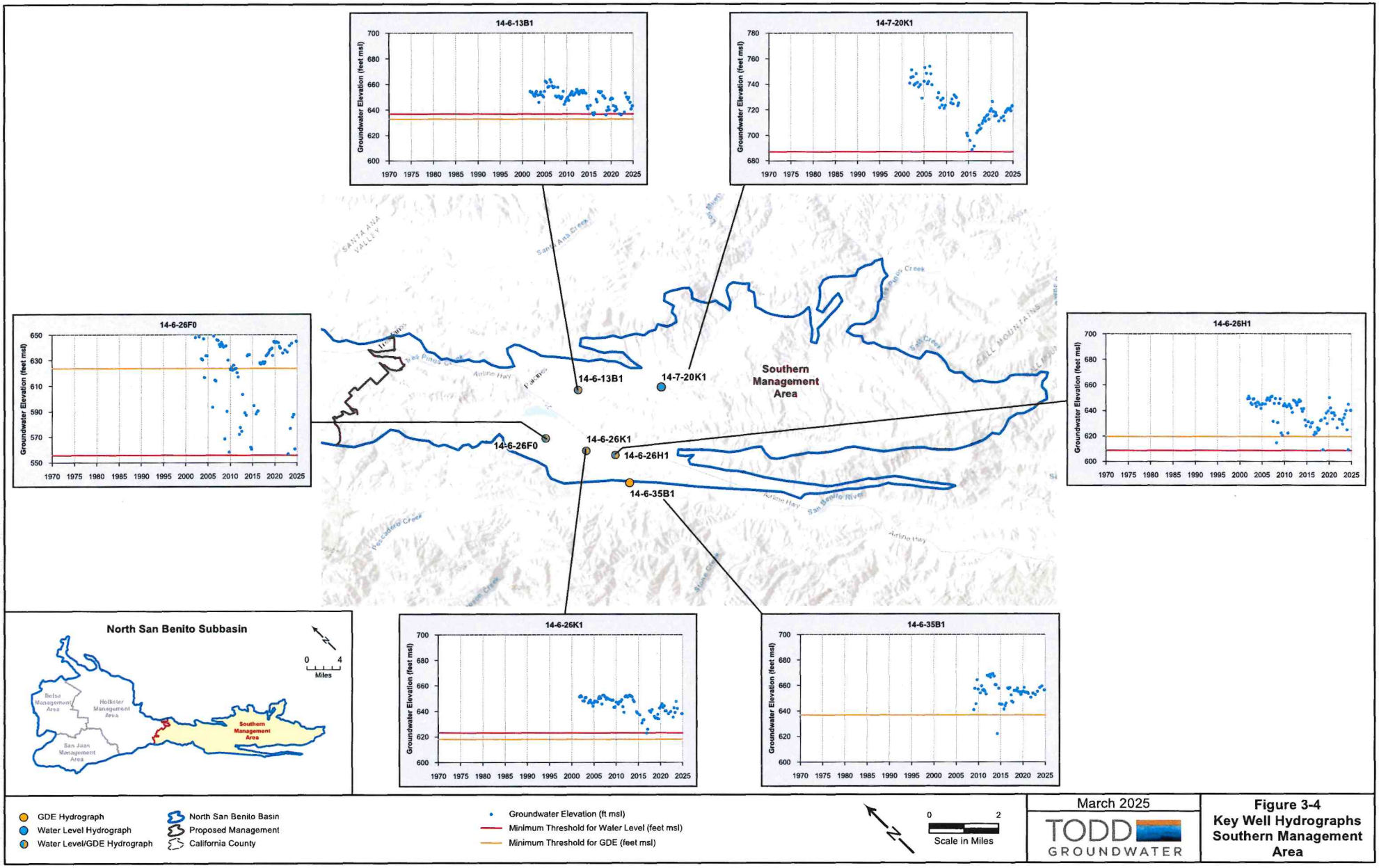


Figure 3-4
Key Well Hydrographs
Southern Management Area

3 – BASIN CONDITIONS

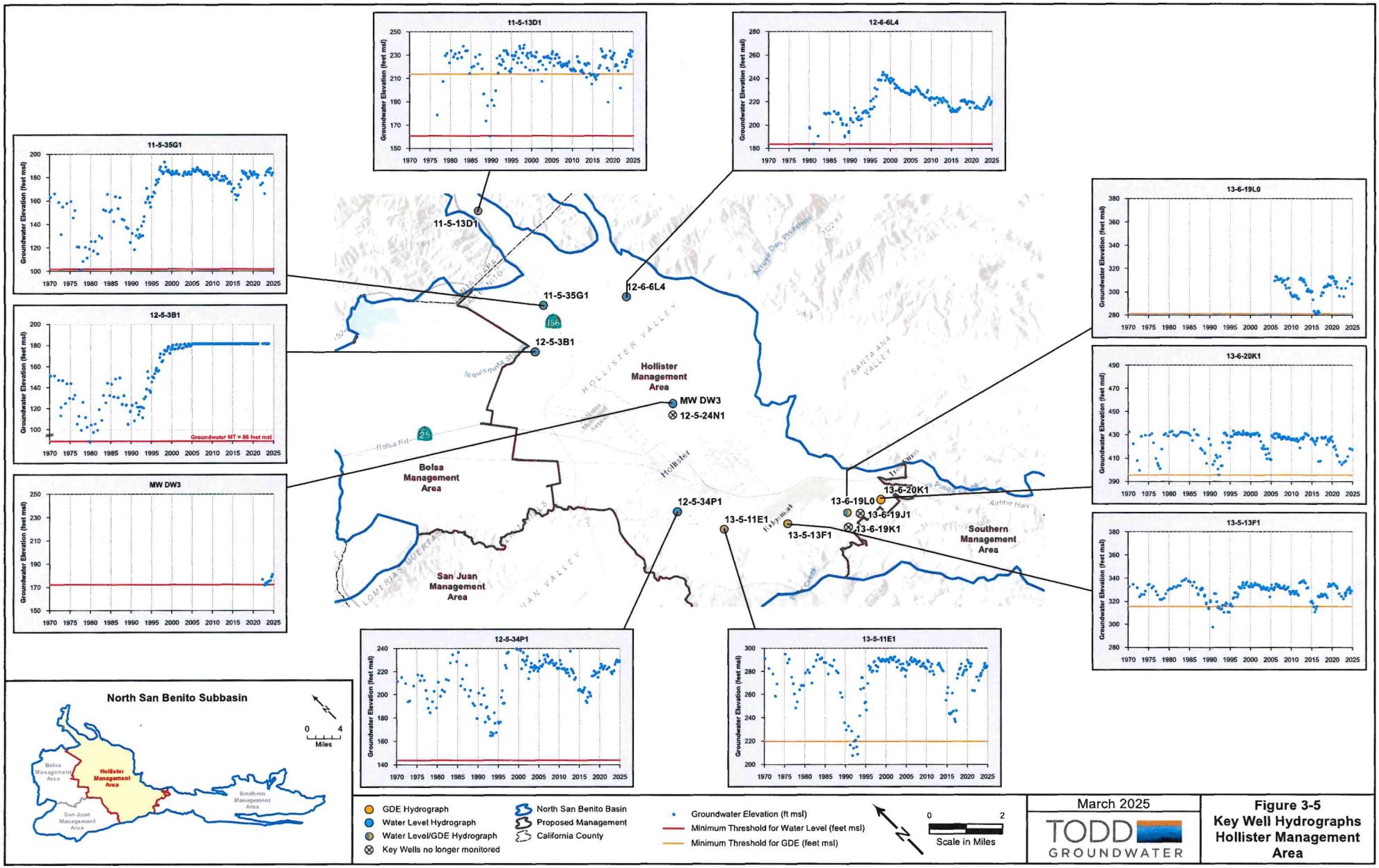


Figure 3-5
Key Well Hydrographs
Hollister Management Area

3 – BASIN CONDITIONS

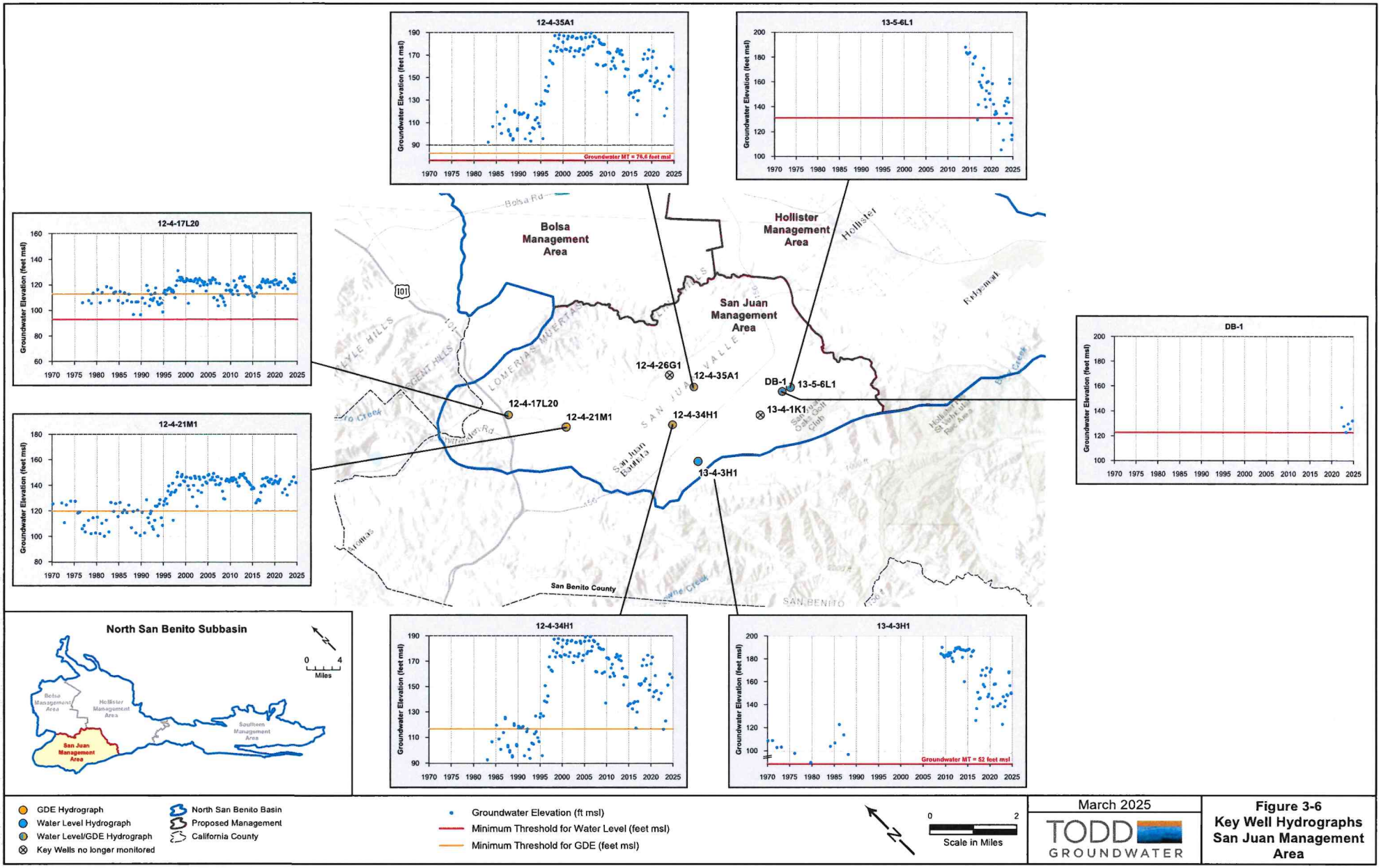


Figure 3-6
Key Well Hydrographs
San Juan Management Area

3 – BASIN CONDITIONS

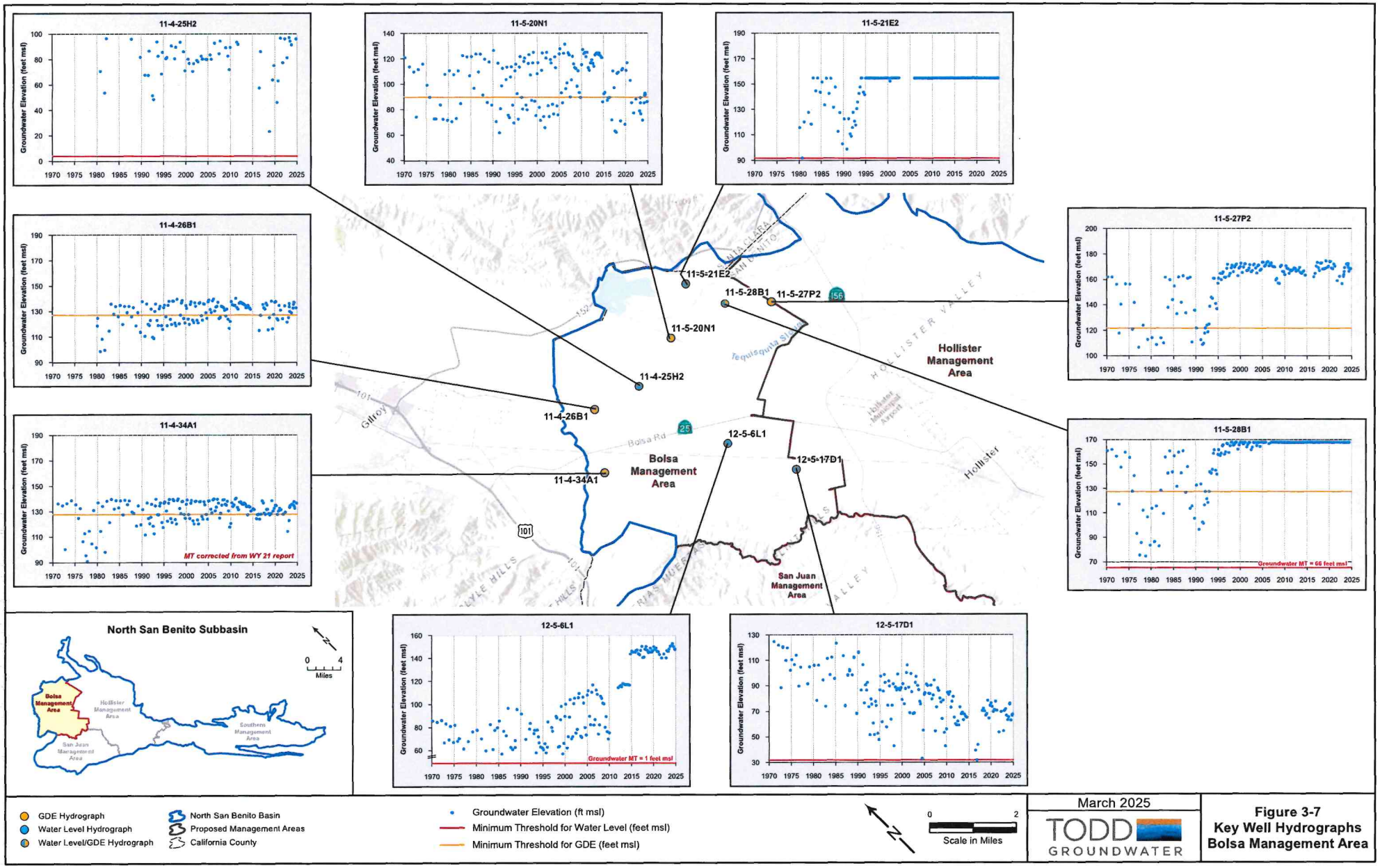


Figure 3-7
Key Well Hydrographs
Bolsa Management Area

3 – BASIN CONDITIONS

Groundwater Trends

Figures 3-4 through 3-7 shows hydrographs of key wells, illustrating long term groundwater elevation changes for the four MAs shown on the maps. As part of the GSP, a network of key wells was selected to monitor for sustainability. These wells were identified from the larger groundwater monitoring network based on length of record, location, continued monitoring, and proximity to water ways (for interconnected surface water key wells). There are 22 key wells to monitor regional groundwater levels (blue circles) and 19 key wells to monitor interconnected surface water / Groundwater Dependent Ecosystems (GDEs; orange circles). These two data sets overlap; eight wells are both groundwater level and interconnected surface water/GDE key wells (blue and orange circles). The MTs set in the GSP to determine chronic lowering of water levels are shown as red lines and MTs that serve as a proxy for interconnected surface water/GDEs are shown as orange lines. In 2024, five key wells that have been unable to be monitored in the past two years were temporarily replaced with nearby wells. Permanent replacement wells and respective MTs will be documented in the next periodic evaluation (due January 2027). More information on the key well network and these replacements can be found in Section 7 (SGMA Indicators).

This year's increases in groundwater levels and storage signal improvements in most wells from recent drought conditions. Continuing its conjunctive use of surface water and groundwater resources and recognizing that climate change will increase temporal variability of water supplies, the District continues to implement projects to increase capture of available water supplies and enhance groundwater level and storage recovery when water is available.

Southern Management Area. Although the District has monitored selected wells in the Southern MA since 2001, elevation data remain limited throughout the MA. The five key wells for water levels and one key well for interconnected surface water are shown on **Figure 3-4**. Because of topography and groundwater flow direction, water levels in the Southern MA are about 400 feet higher than those in the Hollister MA, about nine miles away. As an example, the hydrograph for Well 14-7-20K1 shows that water levels reached a local maximum during 2006, decreased to a local minimum during the drought in 2013-2015, recovered through 2019/2020, decreased slightly through 2022, and have been rising since. In 2024 groundwater elevations in Well 14-7-20K1 continued to increase while still being below historical highs. In general, the pattern of water level change over time observed in 14-7-20K1, including decline from 2020-2022, an increase in 2023, and stable conditions in 2024, is illustrative of other wells in the Southern MA.

Hollister Management Area. As shown on **Figure 3-5,** the Hollister MA has six key wells for tracking groundwater levels, three wells for tracking interconnected surface water, and one additional well serving both. One key well, 12-5-03B1, is a flowing artesian well under similar conditions as artesian wells in the Bolsa MA. The hydrographs for wells 11-5-35G and 12-5-24N1 in the north and central portions of the MA exemplify the recovery experienced in the 1990s and early 2000s with the introduction of CVP water for agricultural irrigation. Review of most of the hydrographs indicates that groundwater levels have generally plateaued, declining slightly in drought and rebounding in wet years with sufficient CVP allocation. Since 2020, and continuing through 2022, groundwater levels generally

declined but remained above historical lows. In 2023, groundwater levels increased showing some recovery from the most recent drought. This recovery continued through 2024. Well 12-6-06L4 near Pacheco Creek and Well 13-5-13F1 near San Benito River also show slight recovery from drought, reflecting increased stream recharge and subsurface inflow from upgradient areas of the Basin.

San Juan Management Area. Figure 3-6 shows the locations in San Juan MA and hydrographs for six key wells: two for tracking groundwater levels, two for interconnected surface water, and two for tracking both. Groundwater elevations generally peaked around 2005-2010 with subsequent declines especially in the eastern MA. Nonetheless, groundwater levels remain above historical lows. When available, managed recharge of CVP water at the ponds near the Hollister Water Reclamation Plant (WRP) will help in managing groundwater levels. The westernmost key well 12-4-17L20 (located along the San Benito River) shows stable groundwater elevation with levels in Water Year 2024 approaching observed highs. The groundwater levels in this well have recovered and water levels are above the MT for interconnected surface water/GDEs.

Bolsa Management Area. As shown on **Figure 3-7**, the Bolsa MA has five key wells for tracking groundwater levels, four key wells for monitoring interconnected surface water/GDEs, and one for both purposes. Two key wells currently have flowing artesian conditions (11-5-21E2 and 11-5-28B1). These artesian conditions reflect local hydrogeologic confinement created by clay layers in the northern Bolsa and Hollister MAs. Groundwater elevations in these confined zones increased from 1992 until about 1998, when levels were pressurized to above the ground surface. While the groundwater pressure head above the ground surface elevation may vary in artesian wells, artesian groundwater levels are challenging to measure. Consequently, all artesian wells in the San Benito are recorded as having a groundwater elevation at ground surface elevation. Water levels in most of the key wells show generally stable trends, albeit with differing magnitudes of variability that likely reflect varying degrees of confinement and responses to pumping. An example of this variation can be seen in Wells 12-5-06L1 and 12-5-17D1, which are within two miles of each other but have different long and short-term groundwater elevation trends. Groundwater elevations in well 12-5-06L1 rose relatively consistently from the early 2000's through early 2020's and have risen and fallen in response to climate conditions since. Groundwater elevations in nearby well 12-5-17D1 have been variable, but overall indicated a declining trend from the 1970's through the 2020's and have recently stabilized. The trend differences trends in these wells likely reflect changing land use and pumping patterns and illustrate how local the effect of these changes can be on groundwater conditions. Groundwater levels in Wells 11-4-26B1 and 11-4-34A1 show increases in water levels in Water Years 2023 and 2024; these are key wells for interconnected surface water/GDEs, and spring 2024 groundwater levels are above the MTs in both.

District Act Determination of Overdraft. The District Act (see **Appendix A**) requires presentation of estimates of annual overdraft for the current water year and ensuing water year. Consistent with previous Annual Reports, this would be represented by long-term groundwater level declines, resulting from reduced rainfall and CVP imports. As of 2024, groundwater elevation trends do not indicate overdraft, and overdraft is not anticipated for the remainder of 2024 and 2025.

Sustainable Management Criteria for Groundwater Quality

Sustainable management, as defined by SGMA, is the use and management of groundwater without causing undesirable effects. For groundwater quality, SGMA defines undesirable results as significant and unreasonable adverse impacts to groundwater quality caused by GSA projects, management actions, or other management of groundwater such that beneficial uses are affected or well owners experience an increase in operational costs.

The sustainability goal is to protect groundwater and prevent circumstances where future management activities may degrade groundwater quality. This could occur if groundwater levels change and thereby induce leaching or vertical migration of poor quality groundwater, if areal migration of poor quality groundwater is induced by pumping, or if groundwater quality degradation is associated with recharge or wastewater discharge projects.

Sustainable management of the North San Benito Basin focuses on the two key constituents, TDS and nitrate, as indicators of groundwater quality degradation. As described in the GSP, the triennial analysis of TDS and nitrate is used to determine if degradation is occurring. The GSP established Minimum Thresholds (MTs) for both TDS and nitrate based on the General Basin Plan Objectives developed in the District's Salt and Nutrient Management Plan (SNMP).

As discussed in the GSP, if a triennial update shows that TDS or nitrate concentrations are greater than the minimum thresholds, it will lead to an evaluation of whether the degradation is likely caused by GSA management activities, legacy loading, or a changing dataset. A complete analysis of water quality was performed in the Annual Report for Water Year 2022 and the triennial update will occur in the Water Year 2025 Annual Report.

4-WATER BALANCE

For the GSP, a quantitative assessment of the water balance (or water budget) of the North San Benito Subbasin (or Basin) was developed, using the numerical model, and presenting estimates of inflows, outflows, and change in storage for the Management Areas (MAs). The North San Benito GSP numerical model was based on historical data for water years 1975-2017 and has been updated annually as part of the annual report. For this Annual Report, newly available data were used to improve and update analyses for recent years. Results for 2019 through 2024 are shown here.

Method of Analysis

The water balance used for the GSP, and updated here, was developed using a rainfall-runoff-recharge model and a groundwater flow model. Complete, itemized surface water and groundwater balances were estimated by combining raw data (rainfall, stream flow, municipal pumping, wastewater percolation) with values simulated using models. Collectively, the models simulate the entire hydrologic system, but each model or model module focuses on part of the system, as described below. In general, the models were used to estimate flows in the surface water and groundwater balances that are difficult to measure directly or that depend on current groundwater levels. These include surface and subsurface inflows from tributary areas, percolation from stream reaches within the Basin, groundwater discharge to streams, subsurface flow from the Llagas Subbasin and between Management Areas, locations and discharges of flowing wells, consumptive use of groundwater by riparian vegetation, and changes in groundwater storage. The two separate models, collectively referred to as the North San Benito Numerical model, are described as follows.

Rainfall-Runoff-Recharge Model. This Fortran-based model simulates hydrologic processes that occur over the entire land surface, including precipitation, interception, infiltration, runoff, evapotranspiration, irrigation, effects of impervious surfaces, pipe leaks in urban areas, deep percolation below the root zone, and shallow groundwater flow to streams and deep recharge.

Groundwater Model. The groundwater flow model uses the MODFLOW 2005 code developed by the U.S. Geological Survey, with pre- and post-processing facilitated using Groundwater Vistas, a readily available commercial software package. The model produces linked simulation of surface water and groundwater, as described below. MODFLOW simulates subsurface flow by combining equations representing flow through porous sediments (the Darcy Equation) with equations that enforce conservation of mass. The equations are implemented numerically, which means that they are applied simultaneously between all adjoining cells in a model grid through an iterative process.

The numerical model is the best tool to quantify the North San Benito water balance. The model will continue to be updated for future Annual Reports, providing a better understanding of the surface water-groundwater system and a tool to evaluate future conditions and management actions. Additional information about the model can be found in the GSP and the model documentation report found as Appendix G in the GSP. In Water Year 2024, the model was updated to reflect recent conditions and improve the simulation of past years. **Tables 4-1 through 4-4** show the updated water balances for each MA. **Figures 4-1 through 4-4** show the water balances for each MA for the entire model period.

4-WATER BALANCE

TABLE 4-1. WATER BALANCE UPDATE - SOUTHERN MA, AF

Water Balance Items	2019	2020	2021	2022	2023	2024
Groundwater Inflow						
Subsurface inflow from external basins	-	-	-	-	-	-
Percolation from streams	27,495	15,643	12,909	8,160	52,320	28,886
Bedrock inflow	2,291	918	486	33	1,354	3,957
Dispersed recharge from rainfall[1]	6,630	4,219	3,250	2,943	28,997	10,545
Irrigation deep percolation	601	668	772	832	603	625
Reclaimed water percolation	-	-	-	-	-	-
Inflow from Hollister MA	1,462	1,147	830	812	892	858
Total inflow	**38,479**	**22,594**	**18,247**	**12,780**	**84,165**	**44,871**
Groundwater Outflow						
Subsurface outflow to external basins	-	-	-	-	-	-
Wells - M&I and domestic	(143)	(143)	(143)	(143)	(144)	(144)
Wells - agricultural	(6,722)	(7,421)	(8,652)	(9,312)	(6,734)	(7,000)
Groundwater discharge to streams	(20,328)	(20,139)	(16,521)	(13,467)	(23,058)	29,463)
Riparian evapotranspiration	(1,464)	(1,687)	(1,900)	(1,999)	(1,479)	(1,529)
Outflow to Hollister MA	(2,361)	(2,288)	(2,677)	(2,894)	(2,759)	(2,982)
Total outflow	**(31,018)**	**(31,678)**	**(29,893)**	**(27,816)**	**(34,173)**	**(41,117)**
Net Change in Storage	**7,461**	**(9,084)**	**(11,646)**	**(15,035)**	**49,992**	**3,755**

1. Dispersed recharge volumes adjusted from pre-processor to match model inflows

TABLE 4-2. WATER BALANCE UPDATE - HOLLISTER MA, AF

Water Balance Items	2019	2020	2021	2022	2023	2024
Groundwater inflow						
Subsurface inflow from external basins	-	-	-	-	-	-
Percolation from streams	24,680	15,015	13,182	10,535	44,544	24,199
Bedrock inflow	19,728	10,203	1,744	472	2,827	7,223
Dispersed recharge from rainfall[1]	25,074	12,465	6,946	5,745	47,962	24,300
Irrigation deep percolation	4,514	4,986	5,286	5,567	4,447	4,750
Reclaimed water percolation	327	291	248	226	372	392
Inflow from Southern MA	4,958	4,760	5,187	5,565	5,842	5,888
Total inflow	**79,281**	**47,720**	**32,593**	**28,111**	**105,994**	**66,752**
Groundwater Outflow						
Subsurface outflow to external basins	-	-	-	-	-	-
Wells - M&I and domestic	(1,808)	(2,056)	(3,748)	(3,651)	(3,712)	(2,050)
Wells - agricultural	(35,913)	(39,586)	(46,728)	(53,668)	(42,590)	(45,562)
Groundwater discharge to streams	(8,630)	(6,972)	(2,119)	(1,116)	(1,853)	(2,817)
Riparian evapotranspiration	(193)	(182)	(147)	(125)	(183)	(161)
Outflow to Bolsa and San Juan MAs	(11,511)	(10,985)	(10,409)	(10,243)	(10,295)	(9,837)
Total outflow	**(58,055)**	**(59,781)**	**(63,151)**	**(68,803)**	**(58,634)**	**(60,427)**
Net Change in Storage	**21,226**	**(12,061)**	**(30,558)**	**(40,692)**	**47,361**	**6,325**

4-WATER BALANCE

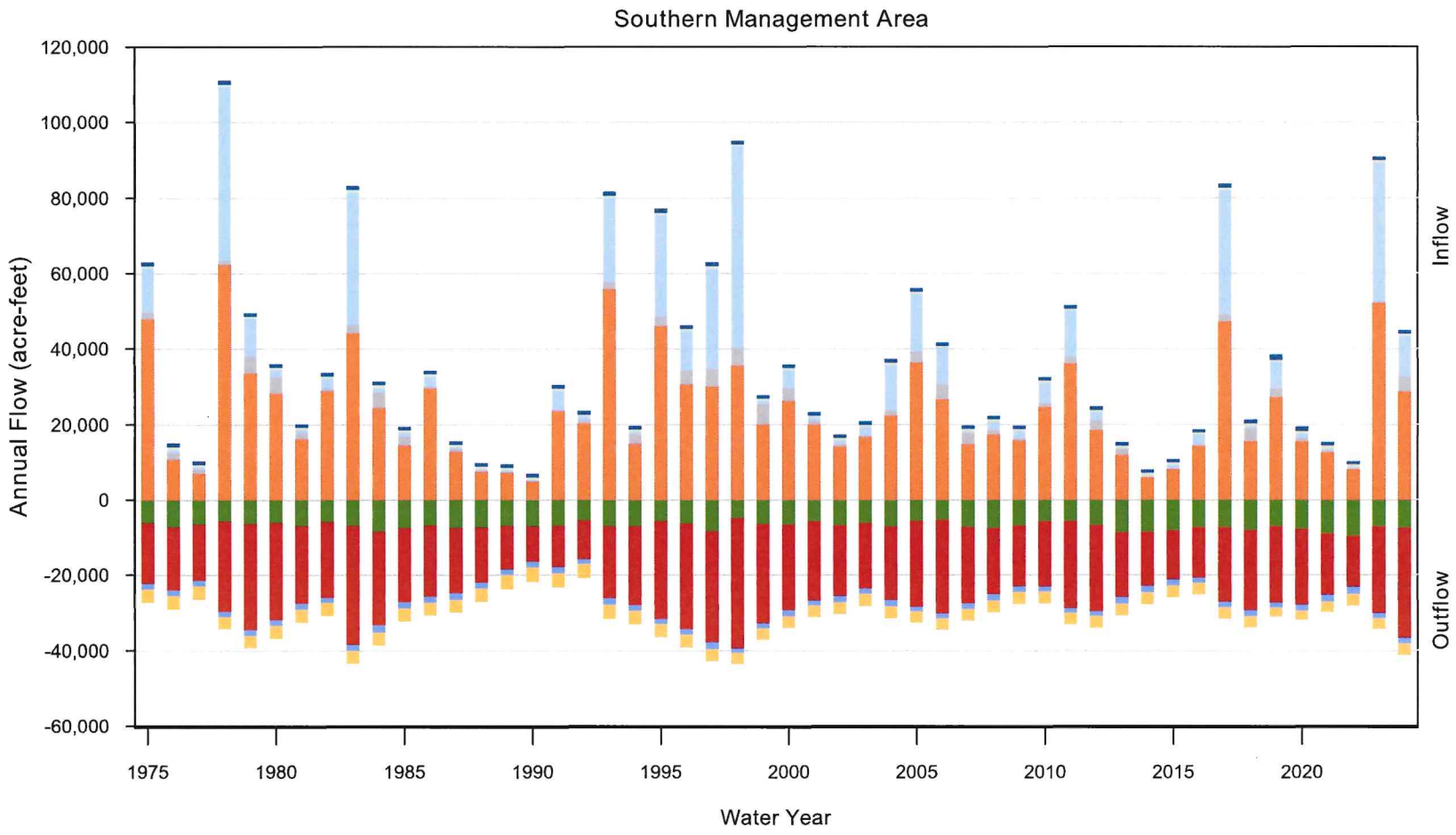
TABLE 4-3. WATER BALANCE UPDATE - SAN JUAN MA, AF

Water Balance Items	2019	2020	2021	2022	2023	2024
Groundwater Inflow						
Subsurface inflow from external basins	-	-	-	-	-	-
Percolation from streams	8,291	5,225	2,241	608	13,750	7,865
Bedrock inflow	707	558	364	99	563	1,291
Dispersed recharge from rainfall[1]	10,268	4,910	2,435	1,751	21,327	9,647
Irrigation deep percolation	1,830	2,027	2,124	2,244	1,786	1,930
Reclaimed water percolation	2,088	2,671	2,884	2,884	3,142	1,525
Inflow from Hollister and Bolsa MAs	4,980	4,916	5,057	5,441	4,636	4,534
Total inflow	**28,164**	**20,307**	**15,105**	**13,027**	**45,205**	**26,793**
Groundwater Outflow						
Subsurface outflow to external basins	-	-	-	-	-	-
Wells - M&I and domestic	(397)	(363)	(360)	(463)	(506)	(505)
Wells - agricultural	(15,944)	(17,776)	(20,162)	(22,669)	(17,726)	(19,188)
Groundwater discharge to streams	(1,716)	(1,669)	(1,064)	(599)	(1,804)	(2,239)
Riparian evapotranspiration	(997)	(1,136)	(1,267)	(1,326)	(998)	(1,025)
Outflow to Bolsa MA	(1,664)	(1,571)	(1,504)	(1,533)	(1,778)	(1,542)
Total outflow	**(20,718)**	**(22,515)**	**(24,358)**	**(26,590)**	**(22,812)**	**(24,499)**
Net Change in Storage	**7,446**	**(2,207)**	**(9,253)**	**(13,563)**	**22,393**	**2,293**

1. Dispersed recharge volumes adjusted from pre-processor to match model inflows

TABLE 4-4. WATER BALANCE UPDATE - BOLSA MA, AF

Water Balance Items	2019	2020	2021	2022	2023	2024
Groundwater Inflow						
Subsurface inflow from external basins	5,033	5,823	8,217	10,760	5,582	4,304
Percolation from streams	4,274	3,267	3,314	2,182	5,374	3,535
Bedrock inflow	-	-	-	-	-	-
Dispersed recharge from rainfall[1]	13,653	7,565	4,324	3,218	29,245	14,959
Irrigation deep percolation	2,300	2,432	2,616	2,769	2,283	2,387
Reclaimed water percolation	-	-	-	-	-	-
Inflow from Hollister and San Juan MAs	5,698	5,492	5,163	4,789	5,486	5,088
Total inflow	**30,958**	**24,578**	**23,634**	**23,719**	**47,969**	**30,273**
Groundwater Outflow						
Subsurface outflow to external basins	(15)	-	-	-	(36)	(44)
Wells - M&I and domestic	(25)	(25)	(25)	(25)	(25)	(25)
Wells - agricultural	(23,918)	(25,354)	(27,358)	(29,019)	(23,897)	(24,982)
Groundwater discharge to streams	(3,775)	(1,458)	(320)	(79)	(4,763)	(4,704)
Riparian evapotranspiration	(229)	(189)	(167)	(87)	(238)	(175)
Outflow to San Juan MA	(1,563)	(1,532)	(1,709)	(1,937)	(2,024)	(2,007)
Total outflow	**(29,525)**	**(28,558)**	**(29,577)**	**(31,146)**	**(30,982)**	**(31,936)**
Net Change in Storage	**1,433**	**(3,980)**	**(5,943)**	**(7,427)**	**16,987**	**(1,663)**



Inflows

- Inflow from Hollister MA
- Reclaimed water percolation
- Irrigation deep percolation
- Dispersed recharge from rainfall
- Bedrock inflow
- Percolation from streams
- Subsurface inflow from external basins

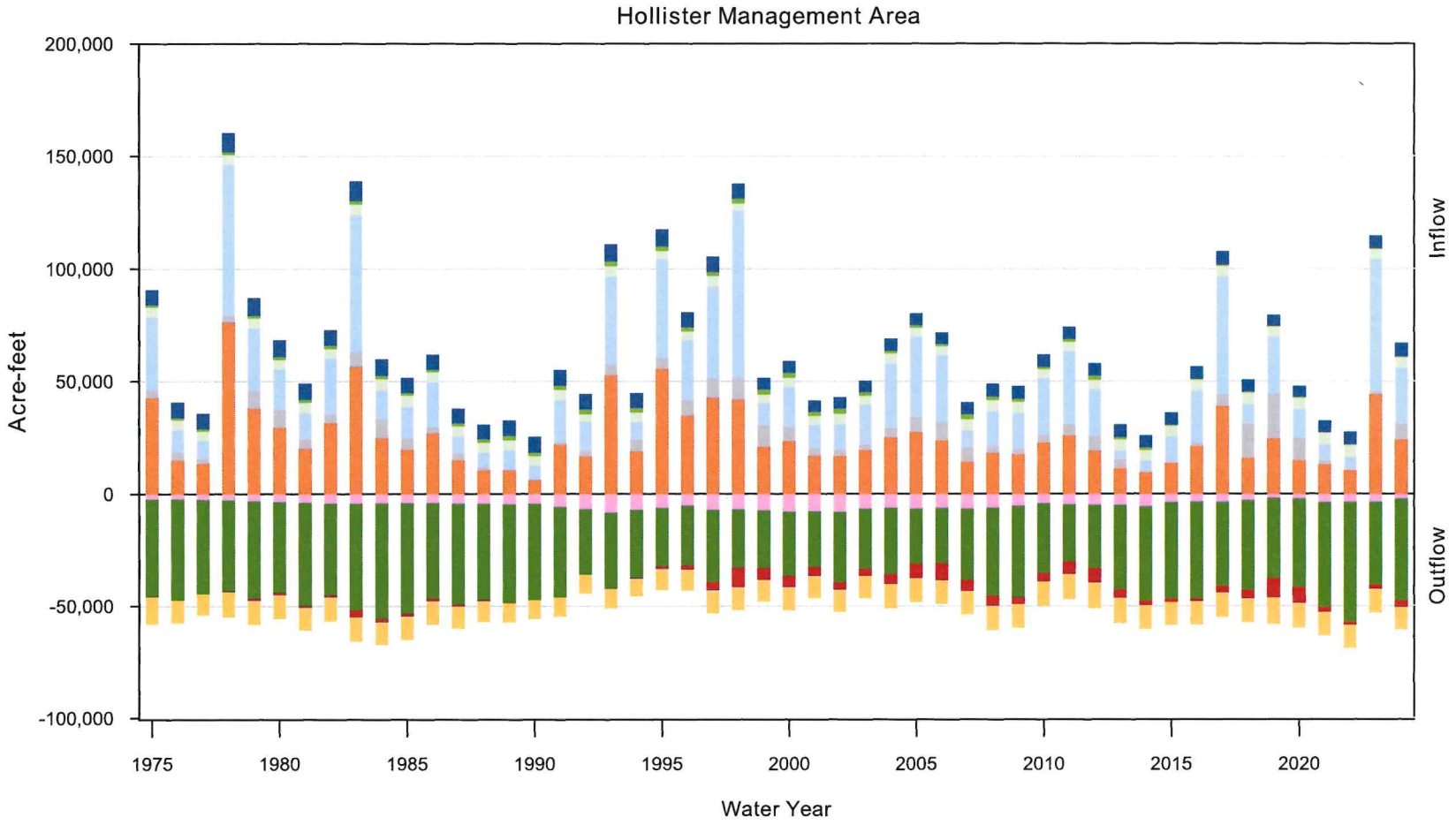
Outflows

- Shallow discharge to streams
- Subsurface outflow to external basin
- Wells - M&I and domestic
- Wells - agricultural
- Groundwater discharge to streams
- Riparian evapotranspiration
- Outflow to Hollister MA

March 2025

TODD GROUNDWATER

Figure 4-1
Water Balance
Southern
Management Area



Inflows

- Inflow from Southern MA
- Reclaimed water percolation
- Irrigation deep percolation
- Dispersed recharge from rainfall
- Bedrock inflow
- Percolation from streams
- Subsurface Inflow from external basins

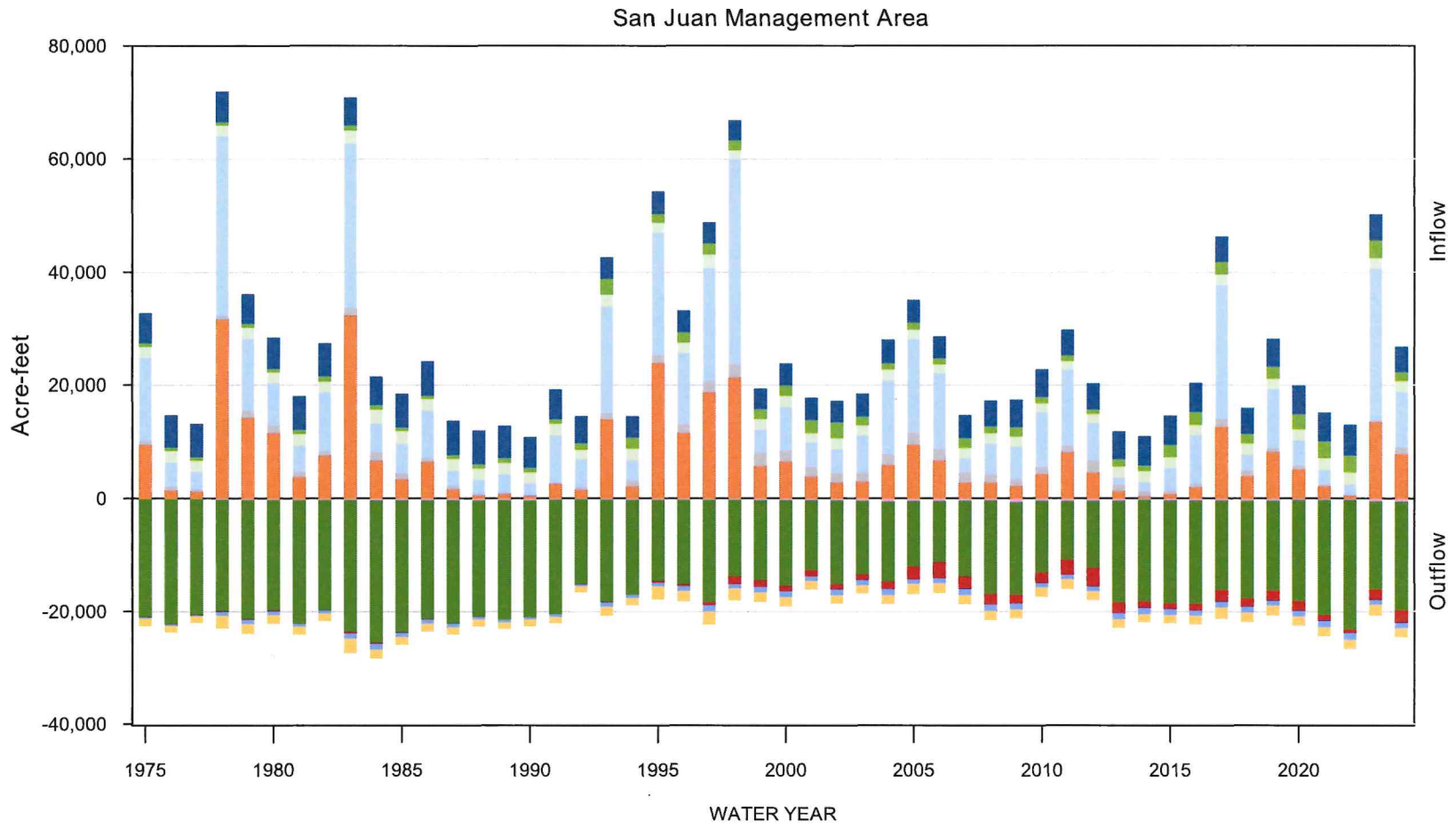
Outflows

- Shallow discharge to streams (Shallow)
- Subsurface outflow to external basins
- Wells - M&I and domestic
- Wells - agricultural
- Groundwater discharge to streams
- Riparian evapotranspiration
- Outflow to Bolsa and San Juan MAs

March 2025

TODD GROUNDWATER

Figure 4-2
Water Balance
Hollister
Management Area



Inflows

- Inflow from Hollister MA
- Reclaimed water percolation
- Irrigation deep percolation
- Dispersed recharge from rainfall
- Bedrock inflow
- Percolation from streams
- Subsurface inflow from external basins

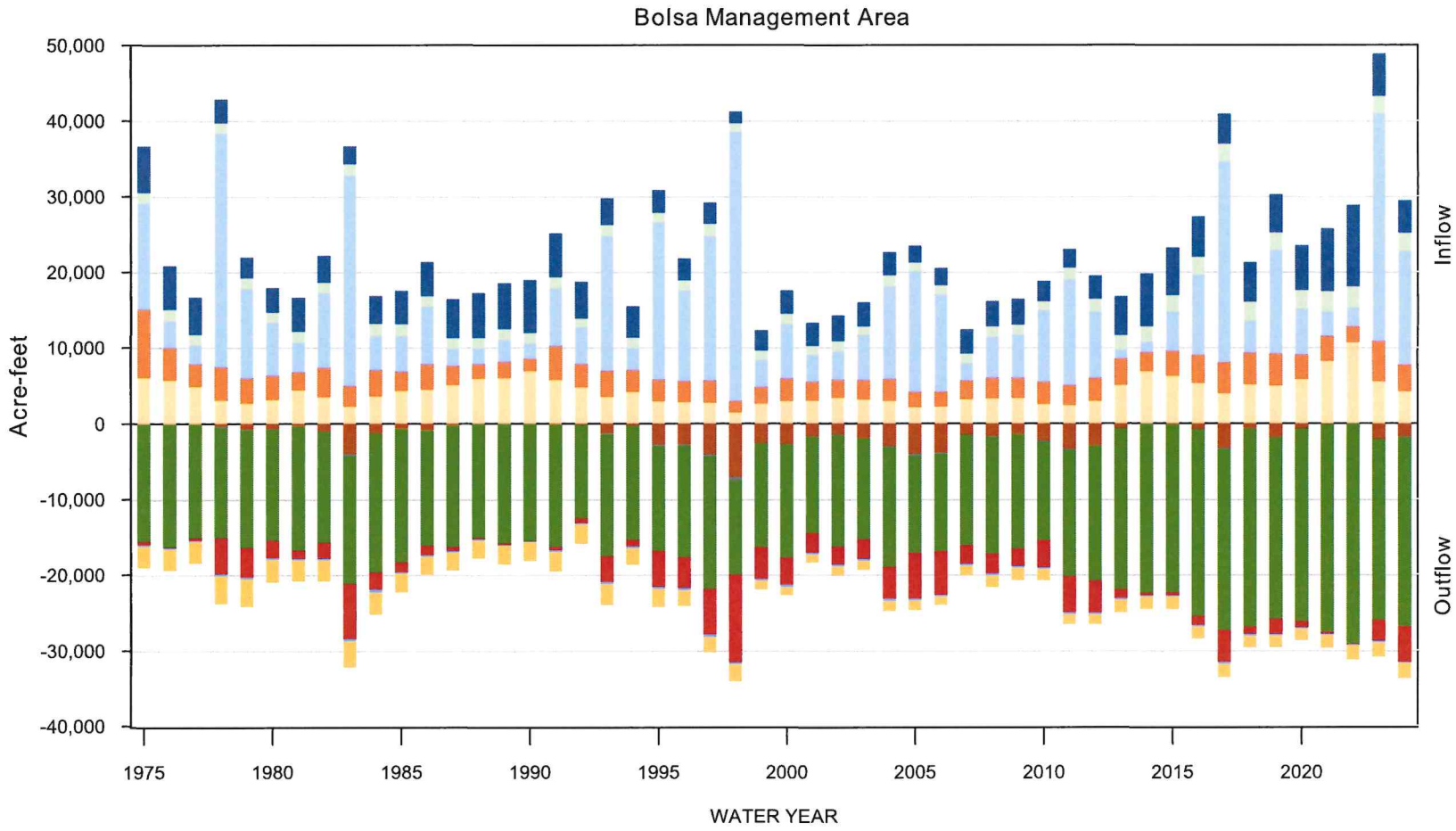
Outflows

- Shallow discharge to streams
- Subsurface outflow to external basins
- Wells - M&I and domestic
- Wells - agricultural
- Groundwater discharge to streams
- Riparian evapotranspiration
- Outflow to Bolsa MA

March 2025

TODD GROUNDWATER

Figure 4-3
Water Balance
San Juan
Management Area



Inflows

- Inflow from Hollister and San Juan MAs
- Reclaimed water percolation
- Irrigation deep percolation
- Dispersed recharge from rainfall
- Bedrock inflow
- Percolation from streams
- Subsurface inflow from external basins

Outflows

- Shallow discharge to streams
- Subsurface outflow to external basins
- Wells - M&I and domestic
- Wells - agricultural
- Groundwater discharge to streams
- Riparian evapotranspiration
- Outflow to San Juan MA

March 2025

TODD GROUNDWATER

Figure 4-4
Water Balance
Bolsa
Management Area

Inflows

The rainfall-runoff-recharge model and groundwater model were updated to reflect conditions from Water Years 2019-2024. Data, assumptions and calculations for individual hydrologic processes and groundwater inflows are described below.

Precipitation and Evaporation. Precipitation and evaporation on the land surface are accounted for in the rainfall-runoff-recharge model. Data are obtained from local climate stations.

CVP Imported Water. Two Management Areas (Hollister and San Juan) receive imported water from the CVP, which is delivered to municipal and agricultural users and to several percolation ponds to enhance groundwater recharge. CVP imported water stored in San Justo Reservoir seeps from the reservoir to the local groundwater. In addition, water evaporates from water surfaces. These seepage and evaporation losses remain consistent through the period of record and are included in the groundwater model.

Dispersed Recharge from Rainfall and Deep Irrigation. Dispersed recharge from rainfall and applied irrigation water is estimated by the rainfall-runoff-recharge model. The model simulates soil moisture storage in the root zone, which derives from rainfall infiltration and irrigation, and outflows to evapotranspiration and deep percolation. Simulation is on a daily basis. In recharge zones with irrigated crops, irrigation is simulated by assuming water is applied when soil moisture falls below a certain threshold. When soil moisture exceeds the root zone storage capacity, any excess rainfall or irrigation becomes deep percolation. Rainfall and irrigation water comingle in the root zone and in deep percolation. In urban recharge zones, pipe leaks are included in the amount shown as rainfall recharge. The resulting net recharge is passed to the top layer of the groundwater model.

Percolation from Streams. Percolation from streams depends on the flow, stage, width, length, and bed permeability of stream reaches, as well as the elevation difference between the stream surface and groundwater in the underlying model cell. Point sources of recharge (such as wastewater percolation facilities) are entered into the top model layer as if they were injection wells. Surface inflows to the stream network in the surface water module of the groundwater model include a combination of gauged flows (for the San Benito River at the upstream end of the Southern MA only), simulated runoff from tributary watersheds and valley floor areas obtained from the rainfall-runoff-recharge model, and historical amounts of CVP water percolated in local streams. The effects of Hernandez Reservoir operation on San Benito River flows are included in the gauged flows, and the effects of Pacheco Reservoir on Pacheco Creek inflows were estimated by applying simple rules for seasonal storage and release. Valley floor areas are flatter than the tributary watersheds, and the amount of runoff per acre is consequently smaller. The rainfall-runoff-recharge model simulates runoff from valley floor areas, and those flows are added to the inflows of nearby stream segments in the groundwater model.

Reclaimed Water Percolation. Percolation of reclaimed water in wastewater disposal ponds occurs in two Management Areas (San Juan and Hollister) at facilities operated by the City of Hollister, Sunnyslope County Water District (SSCWD), and Tres Pinos County Water District. Discharges from the San Juan Bautista wastewater treatment plant are not included. Percolation is assumed to be the plant inflow less net evaporation and amounts of wastewater recycled for irrigation use. Additional percolation may

occur around rural residential septic systems. For the numerical model, it is assumed to be negligible as the volumes would be small and spread out over the Basin.

Subsurface Groundwater Inflow. Three types of subsurface inflow are listed separately in the water balance tables. Subsurface inflow from external basins occurs only in the Bolsa MA, where flow enters from the adjacent Llagas Subbasin. This is simulated as a head-dependent flow that varies depending on simulated groundwater levels near the boundary (lower water levels increase the simulated inflow rate). Along the rest of the Basin perimeter, small amounts of subsurface inflow result from recharge percolating through fractured bedrock in tributary watershed areas. Bedrock inflow is simulated as shallow injection wells along the perimeter of the Basin.

Finally, subsurface flow occurs across the management area boundaries within the Basin. Although flow across MA boundaries is predominantly in one direction in most cases, local variations in boundary alignment relative to regional gradients can result in inflow at one location concurrent with outflow at another. For example, **Table 4-1** indicates inflow from Hollister to Southern MA although Southern MA is generally upgradient of Hollister MA. This reflects the zig-zag character of the boundary between the two MAs, such that groundwater flows from Hollister into portions of Southern MA and then flows out again.

Most groundwater inflows to the Basin are controlled by hydrologic conditions. Natural stream percolation and deep percolation from rainfall are related to the volume and distribution of rainfall. The availability of imported water similarly reflects wet and dry conditions in the source area, which for CVP water is the Sierra Nevada. Because they are related to rainfall, almost all Basin inflows are higher in wet years and lower in dry years. In contrast, deep percolation of applied irrigation water (irrigation return flow) is generally similar from year to year.

Outflows

Major outflows from the Basin are pumping (agricultural, municipal, industrial, and domestic), groundwater seepage into streams, subsurface outflow, and evapotranspiration by riparian vegetation.

Pumping by Wells. Agricultural pumping is much larger than the other types and is listed separately in the water balance tables and shown in green on the water balance bar charts. Agricultural pumping is dependent not only on cropping patterns and irrigation practices, but also on the volume of CVP imports and the amount and timing of rainfall. Spring rains decrease total irrigation demand, and growers adjust pumping to compensate for wet weather and the availability of CVP imports. Agricultural groundwater pumping in the model and water balance tables is simulated by the rainfall-runoff-recharge model. When simulated soil moisture falls below a specified threshold in a recharge zone with irrigated crops, irrigation is assumed to be applied and to refill soil moisture to capacity. Irrigation not derived from CVP water or recycled water is assumed to be from groundwater.

Agricultural pumping in Zone 6 is also monitored by SBCWD by recording the operating time of pump motors and multiplying that by a measured discharge rate. Previous studies have found that the pumping estimates obtained by this method are significantly smaller than the estimates obtained by

simulating crop water demand and soil moisture. The simulation approach improved model calibration during the 2014 model update, and that approach is retained in the current model.

Reliable measurements of agricultural pumping are a recognized data gap. Given the large range or uncertainty and the model sensitivity to the volume and location of agricultural pumping, evaluation is currently underway of alternative methodologies for accurately evaluating agricultural pumping.

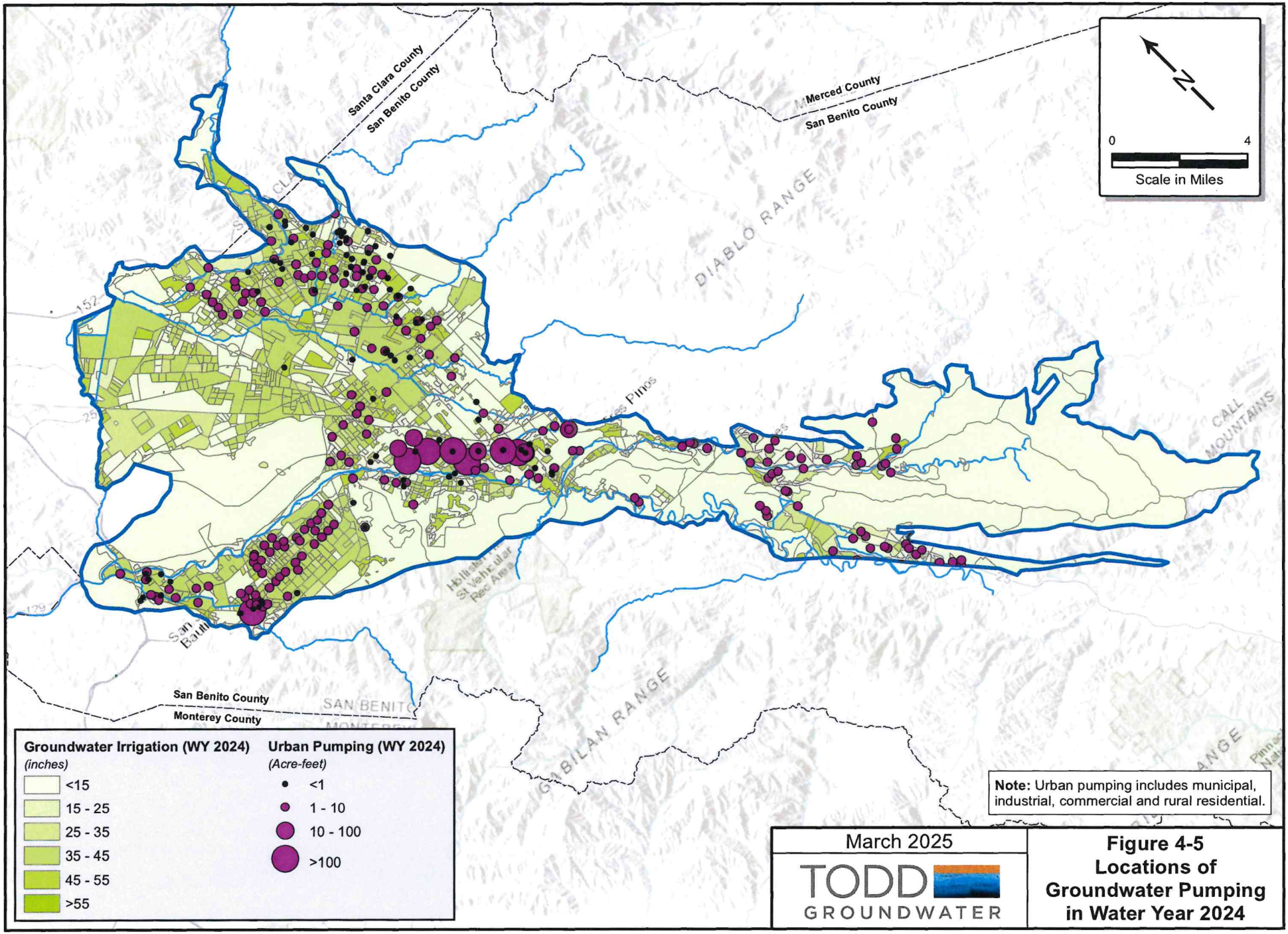
Municipal pumping by City of Hollister and SSCWD is in the Hollister MA, with additional pumping by San Juan Bautista in the San Juan MA. Pumping by major municipal providers is measured, as is pumping by smaller community water systems and self-supplied commercial and industrial facilities within Zone 6. Actual pumping and well locations are used in the numerical model. Additional pumping for potable use at rural residences and agricultural buildings was estimated by inventorying the number and locations of those buildings on aerial photos. This domestic pumping is assigned to 200 hypothetical wells near building locations.

A map showing the locations of agricultural and municipal, commercial, industrial, and domestic pumping is presented in **Figure 4-5**. Irrigation pumping is represented as a one-dimensional annual groundwater application rate (in inches) on the irrigated fraction of each recharge analysis polygon. Use of CVP water and recycled water has already been subtracted from total irrigation demand to obtain these estimates of groundwater-supplied irrigation. Monthly one-dimensional rates are multiplied by irrigated area and entered into the groundwater model as a hypothetical irrigation well located at the centroid of each irrigated recharge polygon. Municipal, commercial, industrial, and domestic wells are displayed as circles with areas proportional to annual pumping in 2023. Points representing the first three categories are actual well locations, and the pumping is measured and reported to the District. The small dots representing rural domestic pumping are located where rural residences are visible in aerial photographs, and a uniform production rate was assumed at all those locations.

Subsurface Outflow. Subsurface outflows to other basins and other Management Areas were calculated using the groundwater model by the same methods used to simulate subsurface inflows.

Groundwater Discharge to Streams. Discharges from the groundwater basin to surface water bodies are simulated by the groundwater model based on stream bed wetted area and permeability and on the amount by which the simulated groundwater elevation in a model stream cell is higher than the simulated surface water elevation. This occurs in all Management Areas, but notably where Pacheco Creek and Tequisquita Slough approach the Calaveras Fault, where the Pajaro River approaches the downstream end of the Bolsa MA, and along the San Benito River at the downstream end of the San Juan MA. The relatively large amounts of simulated groundwater discharge to streams in the Southern MA is balanced by high amounts of percolation from streams. The San Benito River and Tres Pinos Creek transition between gaining and losing at various locations in the Southern MA.

Riparian Evapotranspiration. The presence of dense, vigorous trees and shrubs along a stream channel is often a sign that the roots of the vegetation extend to the water table and have access to groundwater throughout the dry season. Plants that draw water directly from groundwater are called phreatophytes. In the groundwater model, riparian evapotranspiration (ET) is a function of water table depth, decreasing from unrestricted water use when the water table is at the ground surface to zero when it is 15 feet or more below the ground surface. This reflects a reasonable range of root depth distribution for a mix of riparian shrub and tree species.


Santa Clara County
San Benito County
Merced County
San Benito County
N
0
4
Scale in Miles
DIABLO RANGE
Pines
CALL MOUNTAINS
San Benito County
Monterey County
GABILAN RANGE
Groundwater Irrigation (WY 2024)
(inches)
<15
15 - 25
25 - 35
35 - 45
45 - 55
>55
Urban Pumping (WY 2024)
(Acre-feet)
<1
1 - 10
10 - 100
>100
Note: Urban pumping includes municipal, industrial, commercial and rural residential.
March 2025
TODD GROUNDWATER
Figure 4-5
Locations of Groundwater Pumping in Water Year 2024

The Management Area water balances for 2024 are easiest to interpret in the context of balances in prior years (see **Figures 4-1 through 4-4**). In the Southern MA, total inflows were lower than last water year (which was wet) but higher than the previous five years, reflecting above normal conditions resulting in increased storage in the MA. In the Hollister MA and San Juan MA had above average inflows and average outflows, adding storage to both MAs in part due to CVP deliveries. In the Bolsa MA, while total inflows were within the range of normal, outflows were slightly higher than recent years due to increased groundwater discharge to streams. Bolsa MA was the only management area where storage decreased in Water Year 2024.

Simulated Groundwater Elevations

In annual reports prepared prior to the preparation of the GSP and Basin-wide model update, contours of groundwater elevation surfaces in a portion of the Basin were constructed using measurements from monitored wells with refinement to account for the effects on groundwater of faults and other hydrogeologic conditions. These previous groundwater elevation surfaces were highly influenced by variability in data available from the monitoring network.

One of the changes to the annual reports associated with SGMA was the presentation of groundwater contours for the entire Basin. A consequence of this basin-wide approach is inclusion of areas with limited or no groundwater monitoring. As a result, contouring with relatively simple software or by hand is more difficult and subjective. However, the calibrated groundwater model, which has been updated annually since completion of the GSP, provides simulation of basin-wide groundwater elevations for every month of the model period in a way that is internally consistent with the hydrogeologic conceptualization of the Basin and the water budget. Using contours from the model produces groundwater surface elevation representations that are consistent with the water budget and change in storage estimates.

Figure 4-6 shows contours of groundwater elevations in March 2024, representing seasonal high conditions, while **Figure 4-7** shows groundwater elevations in September 2024, representing seasonal low conditions. These are contours of elevations simulated by the calibrated groundwater model, which provides estimates of water levels throughout the Basin. They are from model layer 3, which is within the typical range of screened intervals for irrigation and municipal wells. The general pattern of contours is similar for both seasons, but March water levels are up to 20 ft higher and September has discrete areas of drawdown from groundwater pumping to meet irrigation demands. Groundwater in the Southern MA flows northwest toward the Hollister MA. On the east side of the Calaveras Fault (in the center of the basin), flow is northward and westward, converging toward San Felipe Lake, where groundwater that hasn't leaked through the fault emerges into surface waterways and crosses the fault as stream base flow. On the west side of the Calaveras Fault, inflow from the Southern MA flows northwest beneath the San Benito River and bends west to enter the San Juan MA. In the latter area, flow is toward the west end of the MA, where groundwater exits by emerging as surface flow in San Juan Creek, the San Benito River, and/or the Pajaro River. In the Southern MA, simulated water levels have steep gradients beneath the hilly areas between and around the Paicines and Tres Pinos Creek Valleys and relatively flat gradients within those valleys. This reflects the relatively low estimated transmissivity of the Purisima Formation which is a secondary aquifer in the Basin present in the hills relative to the principal aquifer alluvial materials in the valleys.

Figure 4-8 shows contours of the net change in groundwater elevation during the water year from September 2023 to September 2024. In general, water levels remained stable, ranging from less than 10 feet to local increases as much as 10 feet. Areas of groundwater level decrease are indicated mostly in the Bolsa MA and northeastern Hollister MA, both areas also showed groundwater decreases last water year. These areas of decrease are characterized by relative distance from sources of stream percolation and continued or increased groundwater pumping.

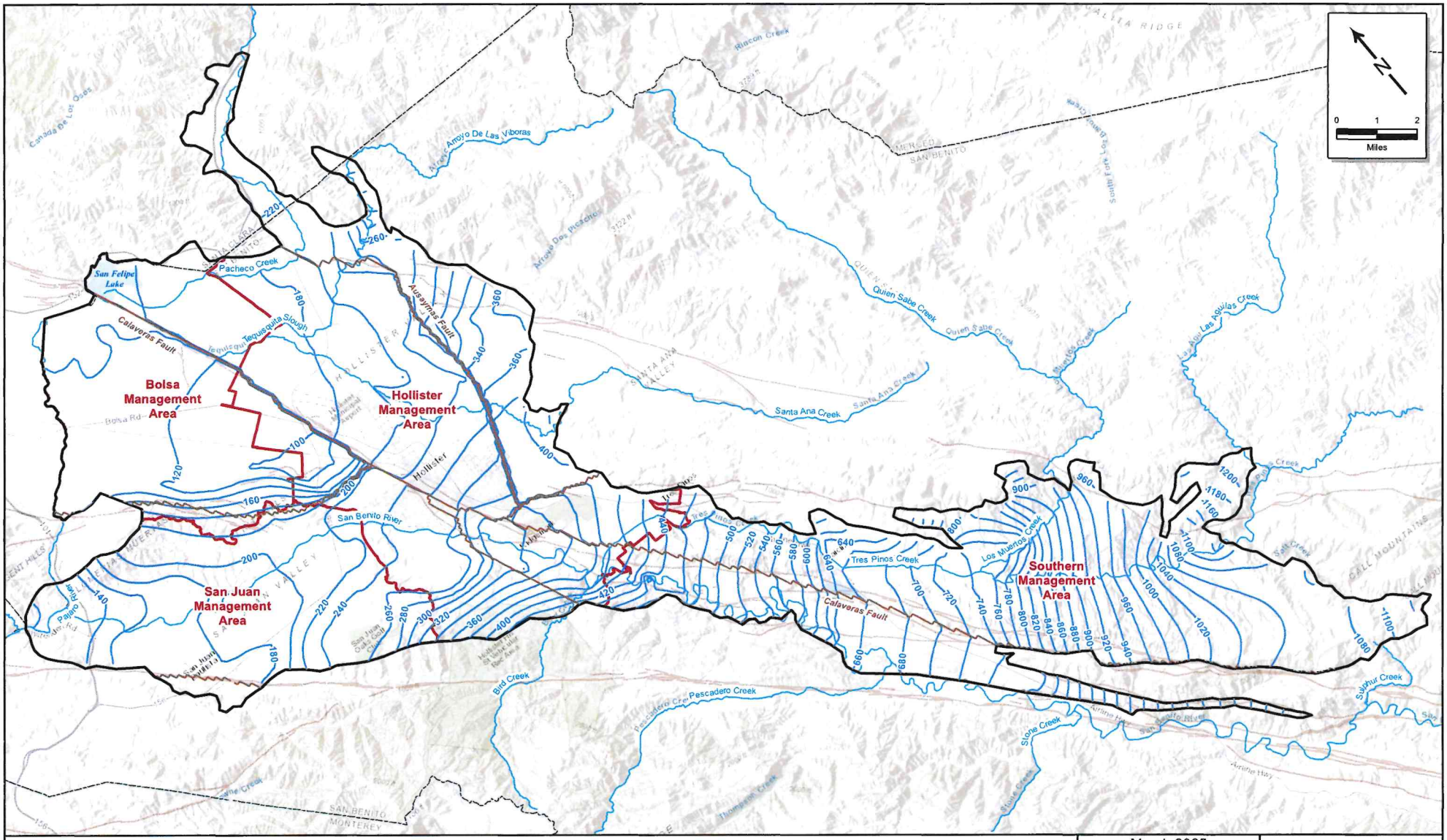
Change in Storage

Figure 4-9 shows the cumulative change in storage from the model for the four Management Areas for 1975-2024. The change in storage for each MA for the model update period (2019-2024) is documented in **Tables 4-1 through 4-4**. In **Appendix E, Figures E-1** through **E-4** illustrate the annual storage change, cumulative storage change, and estimated groundwater pumping for each MA from 1975 to present. On each Appendix E figure, the water year type is indicated with the first letter of the types: Wet, Above normal, Below normal, Dry, and Critically dry (see Figure 3-2).

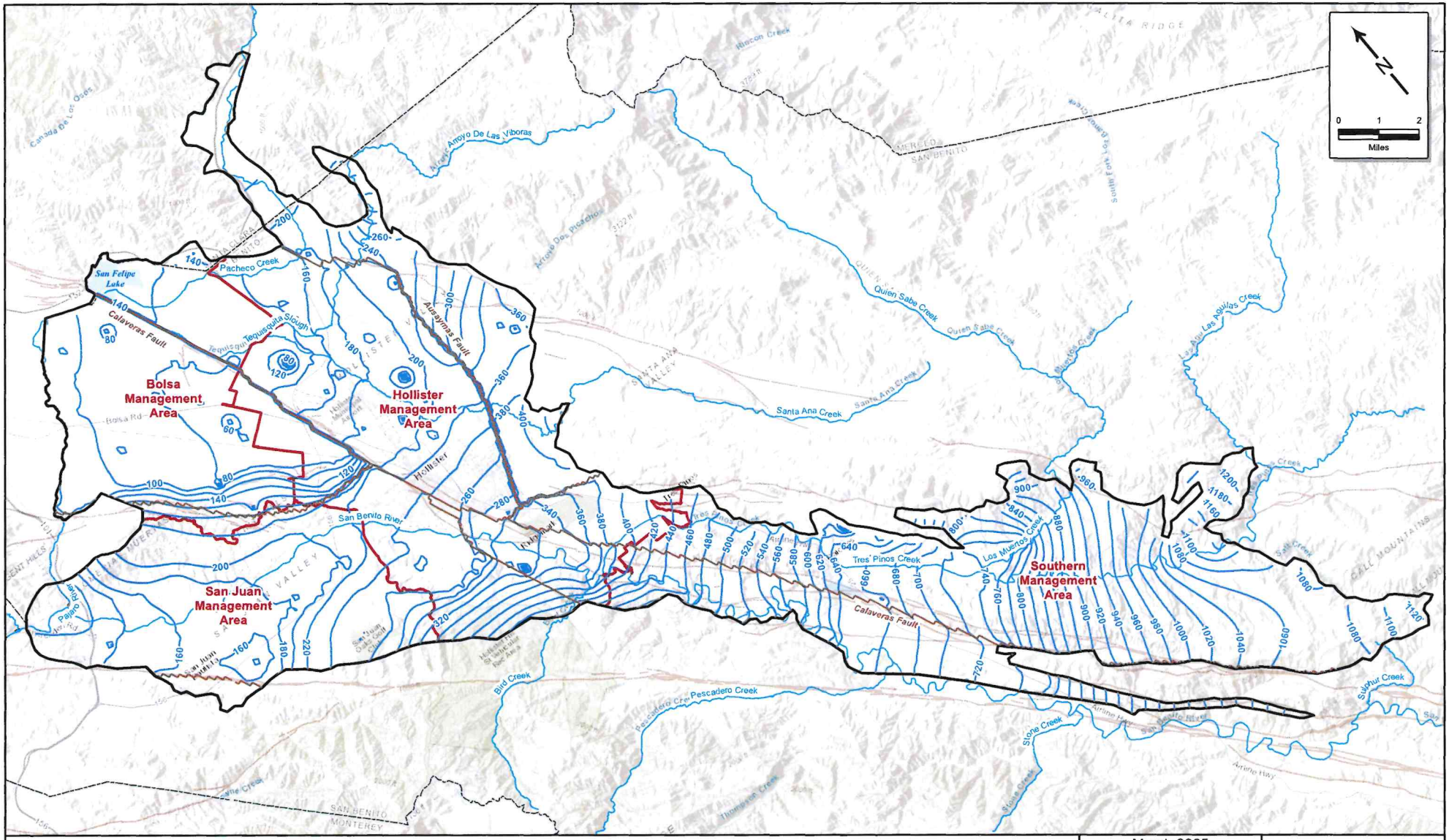
Storage increased in three of the four Management Areas for the second year in a row. Bolsa MA experienced a slight decrease in storage but remains above 2022 lows. Total storage is above the 1975 amounts in all the MAs.

4-WATER BALANCE

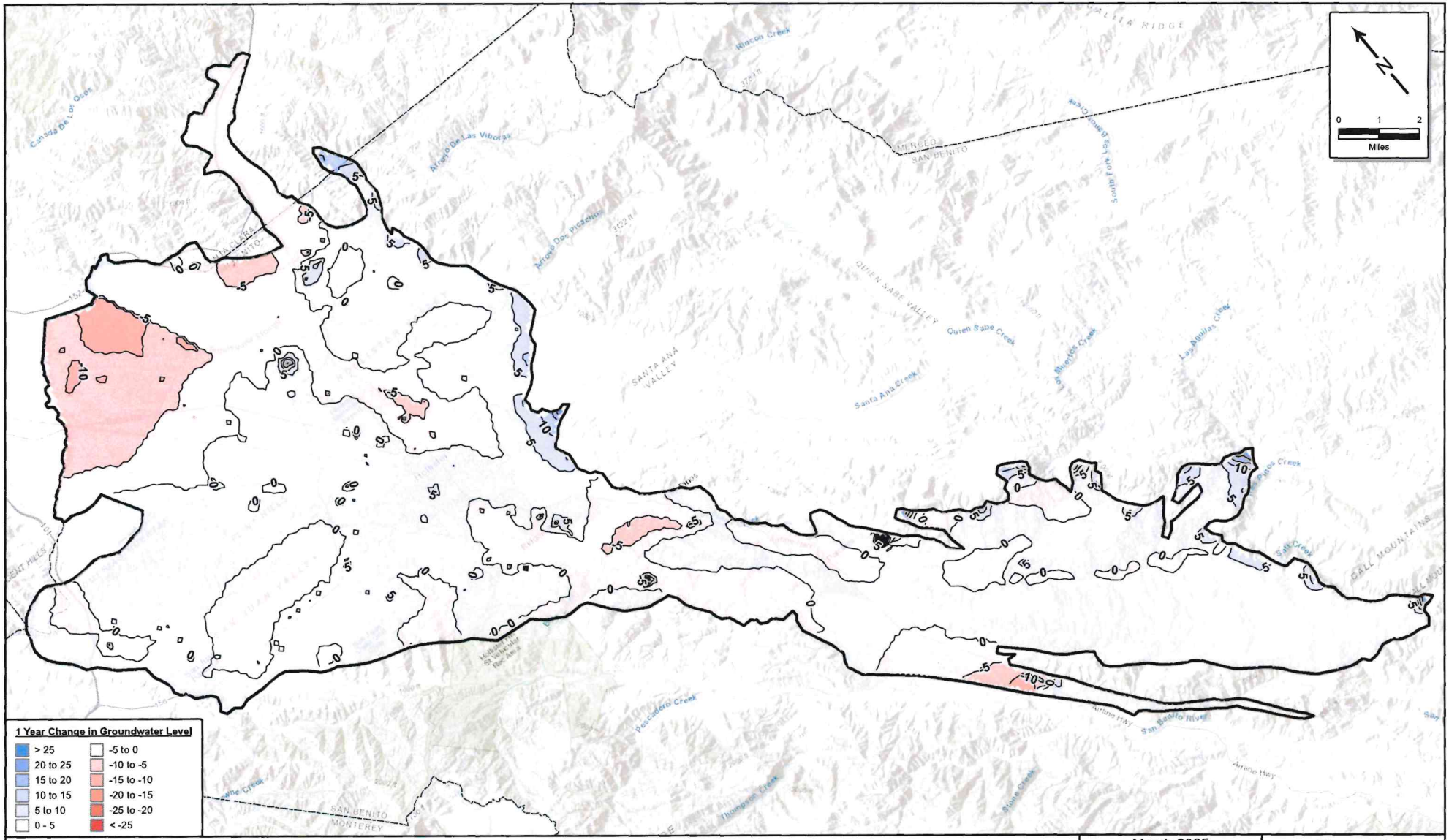
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Bolsa Management Area
Hollister Management Area
San Juan Management Area
Southern Management Area
San Felipe Luke
Pacheco Creek
Tequisquita Slough
Calaveras Fault
Ausaymas Fault
San Benito River
Santa Ana Creek
Quien Sabe Creek
Tres Pinos Creek
Los Muertos Creek
Las Aguilas Creek
Arroyo De Las Viboras
Arroyo Dos Picachos
Rincon Creek
Bird Creek
Pescadero Creek
Stone Creek
Sulphur Creek
Thompson Creek
Bolsa Rd
Hollister
Pajaro River
Airline Hwy
SAN BENITO
MONTEREY
0
1
2
Miles
Groundwater Elevation Contour (feet msl)
Faults
Major Streams and Rivers
Management Areas
North San Benito Basin
San Benito County
Note:
Groundwater discharge from the Basin occurs as discharge to streams, subsurface outflow, and groundwater pumping from wells. The distribution of active wells changes over time, so wells are not shown on this map.
March 2025
TODD GROUNDWATER
Figure 4-6
Groundwater Elevations
March 2024

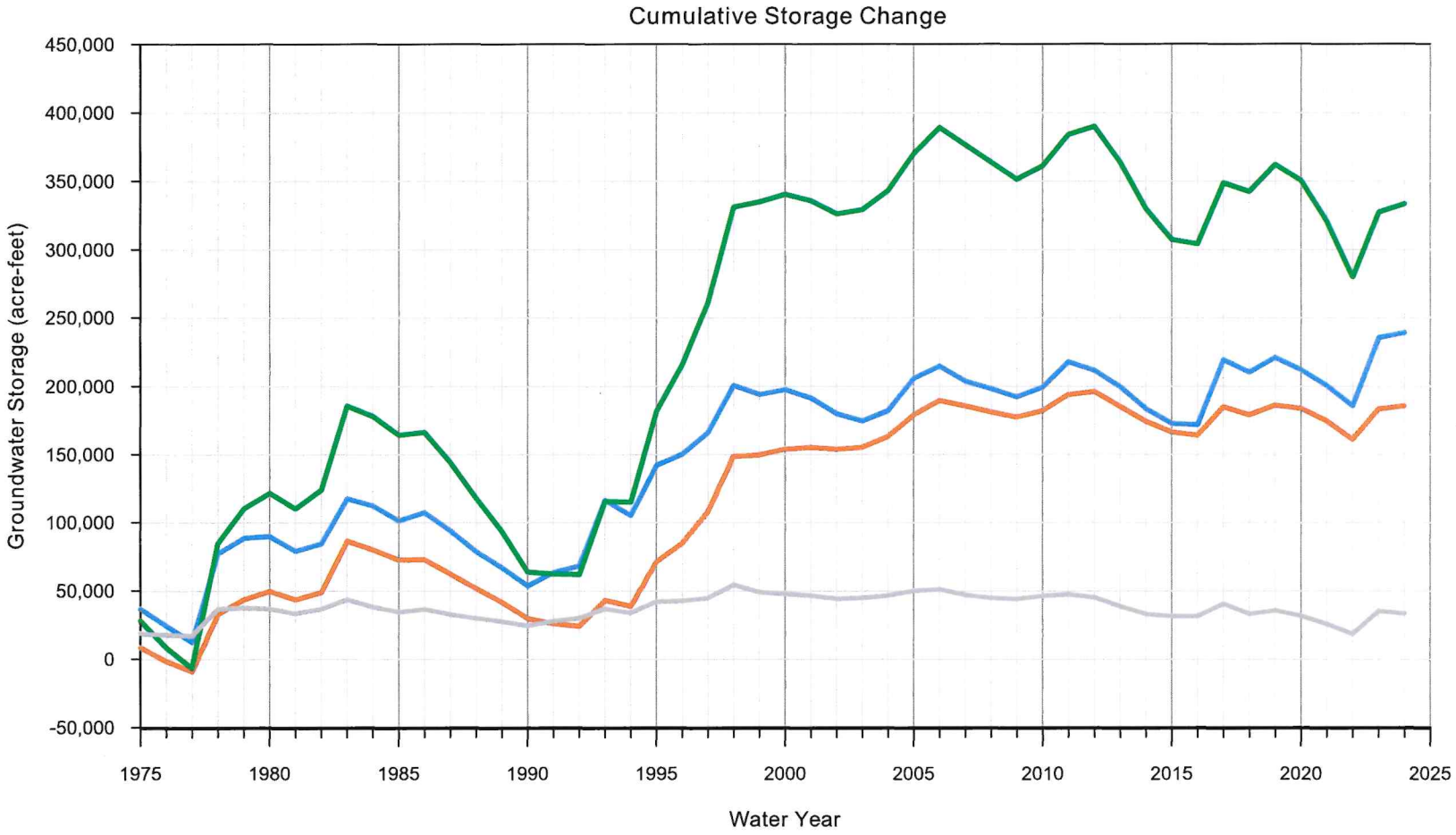
4-WATER BALANCE


N
0
1
2
Miles
Bolsa Management Area
Hollister Management Area
San Juan Management Area
Southern Management Area
San Felipe Lake
Pacheco Creek
Tequisquita Slough
Calaveras Fault
Ausaymas Fault
San Benito River
Santa Ana Creek
Quien Sabe Creek
Tres Pinos Creek
Los Muertos Creek
Bird Creek
Pescadero Creek
Stone Creek
Sulphur Creek
Arroyo De Las Viboras
Hollister
Bolsa Rd
Pajaro
Airline Hwy
SAN BENITO
MONTERREY
Groundwater Elevation Contour (feet msl)
Faults
Major Streams and Rivers
Management Areas
North San Benito Basin
San Benito County
Note:
Groundwater discharge from the Basin occurs as discharge to streams, subsurface outflow, and groundwater pumping from wells. The distribution of active wells changes over time, so wells are not shown on this map.
March 2025
TODD GROUNDWATER
Figure 4-7
Groundwater Elevations
September 2024

4-WATER BALANCE


N
0
1
2
Miles
1 Year Change in Groundwater Level
> 25
20 to 25
15 to 20
10 to 15
5 to 10
0 - 5
-5 to 0
-10 to -5
-15 to -10
-20 to -15
-25 to -20
< -25
Change in GWE Sep. 2023 to Sep. 2024 Contour
North San Benito Basin
San Benito County
Note:
Groundwater discharge from the Basin occurs as discharge to streams, subsurface outflow, and groundwater pumping from wells. The distribution of active wells changes over time, so wells are not shown on this map.
March 2025
TODD GROUNDWATER
Figure 4-8
Change in Groundwater Elevations
Sep. 2023 to Sep. 2024

4-WATER BALANCE



March 2025

TODD GROUNDWATER

Figure 4-9
Cumulative Change
in Storage, 1975-2024

Water Supply Sources

Four sources of water supply are available for municipal, rural, and agricultural water demands in the Basin. Each is summarized below; for more data and graphs, see **Appendix E.** Local groundwater and imported water are described in detail in the following sections.

Local Groundwater. Groundwater is pumped by private irrigation and domestic wells and by public water supply retailers. The District does not directly produce or sell groundwater but has the responsibility and authority to manage groundwater throughout San Benito County.

Imported Water. The District purchases Central Valley Project (CVP) water from the U.S. Bureau of Reclamation (USBR) and distributes to customers in Zone 6. Some CVP water has also been released for groundwater recharge. The District has a contract with no expiration for a total of 43,800 AFY, of which 8,250 AFY is for Municipal and Industrial (M&I) water. CVP water is not available in the Bolsa or Southern MAs.

Recycled Water. Water recycling began in 2010 with landscape irrigation at Brigatino Park. The system was expanded in 2014, including infrastructure and treatment capability for the purpose of agricultural irrigation. Recycled water currently is provided to approximately 865 acres for agricultural production and landscape irrigation. This source is reliable during drought and helps maintain sustainable water supply. Recycled water is only available in the Hollister MA.

Local Surface Water. Surface water is not used directly for potable or irrigation use in the Basin, but channel percolation is a significant source of groundwater recharge. In 2024, releases from the District's Hernandez and Paicines reservoirs were above average, reflecting the wet year and spills from Hernandez. Stormwater capture currently is limited to some diversion by the City of Hollister to the Hollister Industrial WWTP (via a combined sewer system) with subsequent treatment and discharge to percolation and evaporation ponds.



Groundwater

Groundwater is a critical water resource in North San Benito Basin, not only providing water supply in all four MAs, but also water storage. In Hollister and San Juan MAs, the Basin continues to provide a reserve in times of dry hydrologic conditions. In Bolsa and Southern MAs, groundwater is the sole source of supply.

The North San Benito Basin groundwater resource has been actively managed since 1953 when the San Benito County Water District was established. This Annual Report reflects the changing scope of groundwater management in the Basin and thus involves adapted methods, for example, to estimate agricultural groundwater pumping, which is the largest use of groundwater supply. It builds on the GSP (which includes extensive update and application of the numerical model) and presents an estimate of groundwater pumping simulated by the numerical model.

As described in the water balance section, the simulated estimate of groundwater production relies on the 2014 land use map and applies a crop coefficient to identified agricultural parcels. Annual crop ET is calculated by applying the crop coefficient to the daily observed reference ET from local CIMIS measurements. Groundwater pumping is then estimated based on the sum of crop ET and an irrigation efficiency assumption less available CVP and recycled water deliveries by parcel to agricultural customers in the MA. Estimated groundwater production by parcel is simulated as a well in the center of the identified property for modeling.

In previous annual reports, the water use patterns for Zone 6 were presented using the reported pumping from available power meters. Pumping amounts have been calculated semiannually by metering the number of hours of pump operation and multiplying by the average discharge rate. This monitoring program began in about 1990 (soon after CVP imports started) but was not applied to irrigation pumping beyond Zone 6. This historical method of estimating groundwater pumping based on power consumption has drifted from original calibration and is now considered inadequate; it is being replaced as part of SGMA implementation. Accordingly, the pumping indicated by these meters is not shown in this annual report.

The District is currently developing a new water use monitoring program that will address the entire basin area and will be documented in future SGMA Annual Reports. One method currently identified to evaluate agricultural water use is the OpenET tool developed by a consortium of private and public partners and led by Environmental Defense Fund, NASA, Desert Research Institute, and HabitatSeven. The tool utilizes satellite-based estimates of total ET by month for the entire western United States. The data are available at a spatial resolution of 30 meters by 30 meters (0.22 acres per pixel). The District has assessed using Open ET and finds it reasonably estimates crop consumptive use. They will begin implementing the tool beginning with a survey of growers to gather more information about which parcels apply imported surface water or groundwater to further fine tune groundwater use by parcel. In the future, this data will also be available for import into the numerical model to improve simulation of groundwater pumping.

Imported Water – Zone 6

The District distributes CVP water to agricultural and M&I customers in Zone 6. The allocation of the contract for each year is variable and contingent on total available supply of the CVP system. In dry years, the allocation may be zero and in wet years, it may be 100 percent of the contract amount. The USBR contract years are March through February, so Water Year 2024 (Oct 2023-Sept 2024) overlapped two contract years. Both contract years were originally predicted to be below-average hydrological conditions, which resulted in extremely low initial allocations. However, the allocation improved with wetter than expected conditions. **Table 5-1** shows the contract entitlements and recent allocations for both USBR contract years that overlap Water Year 2024 (SLDMWA 2021).

TABLE 5-5. ALLOCATION FOR USBR WATER YEARS 2023-2024

March 2023 - February 2024

	Contract	Percent Allocation	Allocation Volume (AF)
Agriculture	35,550	100%	35,550
M&I	8,250	100%	8,250
TOTAL	43,800		43,800

March 2024 - February 2025

	Contract	Percent Allocation	Allocation Volume (AF)
Agriculture	35,550	50%	17,775
M&I	8,250	75%	6,188
TOTAL	43,800		23,963

As shown in **Table 5-1**, USBR contract year 2023 (March 2023- February 2024) final allocations were 100 percent of their contract for agricultural and M&I users. Full contract supply has only happened two other times since 2006. In contract year 2024 (March 2024-2025), the allocations were 50 and 75 percent for agriculture and M&I users, respectively.

Over the last ten years (2015-2024), the average allocations were 40 percent and 69 percent for agricultural users and M&I users respectively. More information on the past years' allocations can be found in **Appendix E**.

Municipal Use

Figure 5-1 shows the municipal water supply for the City of Hollister, SSCWD, San Juan Bautista, and Tres Pinos County Water District. Municipal demand was satisfied entirely by groundwater prior to 2003. The completion of Lessalt Water Treatment Plant (WTP) in 2003, expansion of Lessalt in 2016, and completion of West Hills WTP in 2018 have significantly increased the availability and use of CVP water for the Hollister and SSCWD municipal systems.

In **Figure 5-1**, annual water supply provided through the Lessalt WTP is shown in grey and West Hills WTP in blue. In 2024, these two treatment plants served about 70 percent of the municipal supply, a significant increase from last water year when treated imported water accounted for 28 percent of total municipal supply. In Water Year 2023, in spite of ample CVP allocations, engineering issues at both the WTPs reduced capacity. It is noteworthy that in Water Year 2019, imported water represented 71 percent of supply; this indicates that when treatment capacity stands ready and imported water is available, the WTPs are available to supply much of the municipal demand. Groundwater serves as a reliable supply in situations of drought or facility disruptions, highlighting the importance of reliance on a portfolio of supplies.

It is expected that WTP operations will maximize CVP use in Water Year 2025 to increase flexibility for local water users to use groundwater or CVP. CVP provides better quality water for delivery to municipal customers and results in improved wastewater quality, which supports water recycling. The City of San Juan Bautista Regional Water and Wastewater Solution project, described in the GSP and currently being implemented, will allow the City of San Juan Bautista to have these benefits.

Agricultural Use

Figure 5-2 shows the annual volume of CVP imported water by use. Review of **Figure 5-2** reveals the variable deliveries in CVP supply for agriculture (shown in green). With 100 percent of the allocation for USBR Water Year 2022-2023 and an above average allocation in USBR Water Year 2023-2024, the total CVP volume delivered to agricultural users increased by 20 percent to 10,100 AF. This volume is the highest in the last four years but remains below the long term average of 13,667 AFY (1988-2024). While last water year (Water Year2023) was a wet year, CVP deliveries were limited due to engineering challenges. The CVP system is now completely restored, and the District and purveyors should be able to maximize CVP use as allocated.

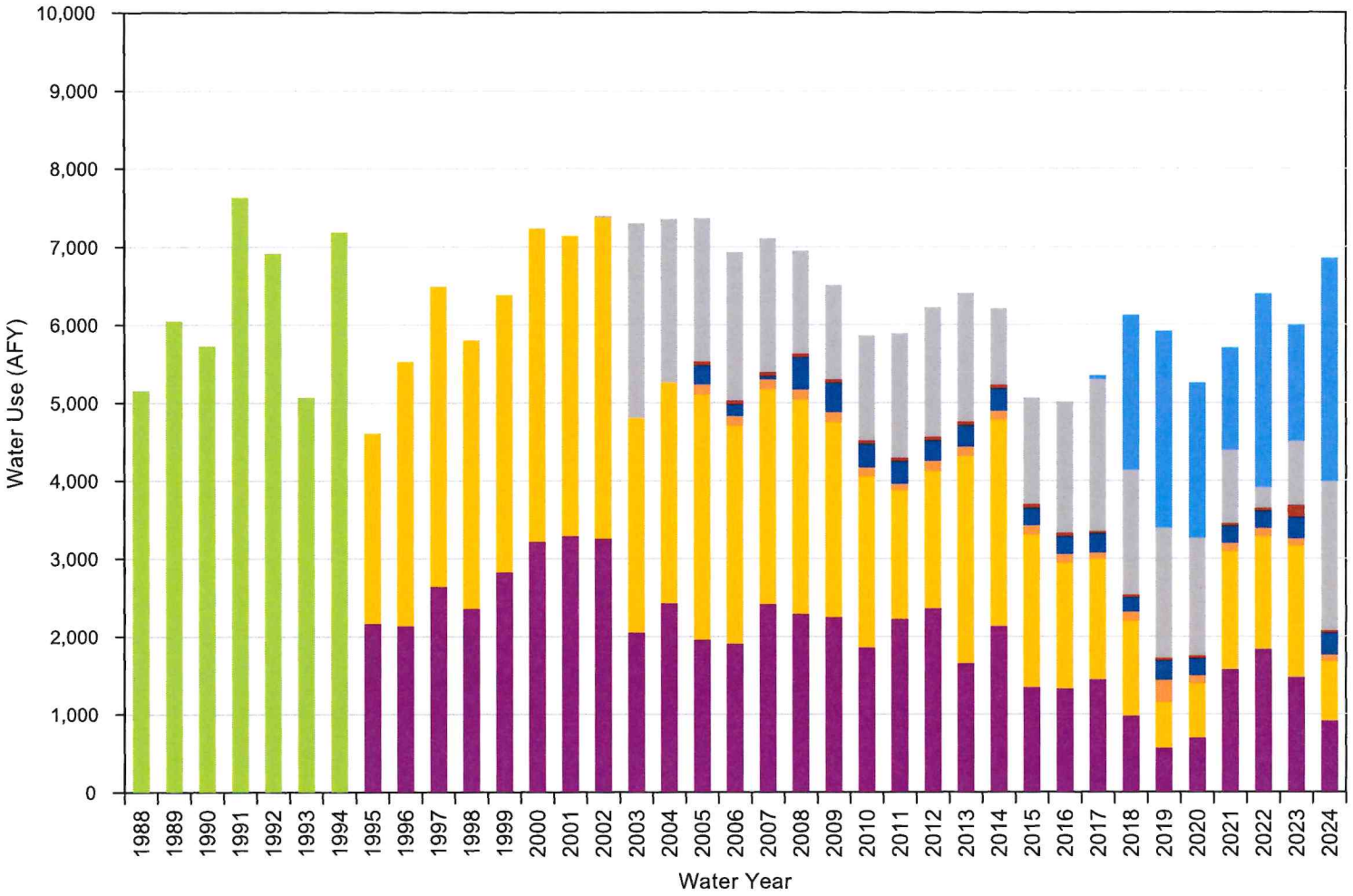
Total Water Use

Table 5-2 shows total water use in the Basin by source and user type for Water Years 2019-2024. CVP and recycled water uses are measured directly. Municipal groundwater use also is metered. M&I and domestic groundwater uses are estimated as described above and included in model simulated pumping.

As shown in **Table 5-2**, total water use was higher in Water Year 2024 than 2023. CVP imports increased about 36 percent compared to Water Year 2023. Groundwater pumping also increased from the volume used in Water Year 2023; Water Year 2024 groundwater production was just under 14 percent higher than Water Year 2023. This increase could reflect the decreased ET demand during Water Year 2023's wet conditions and a return to more average conditions in Water Year 2024.

Noting the use of a 2014 land use map in estimating unmetered groundwater use and upcoming information from the OpenET program, additional analysis of changing crop patterns is recommended along with an update of the model during the next periodic evaluation (due in 2027).

Water use information will be uploaded to DWR as part of the Annual Report. The tables are included in **Appendix A**, following the Elements Guide.

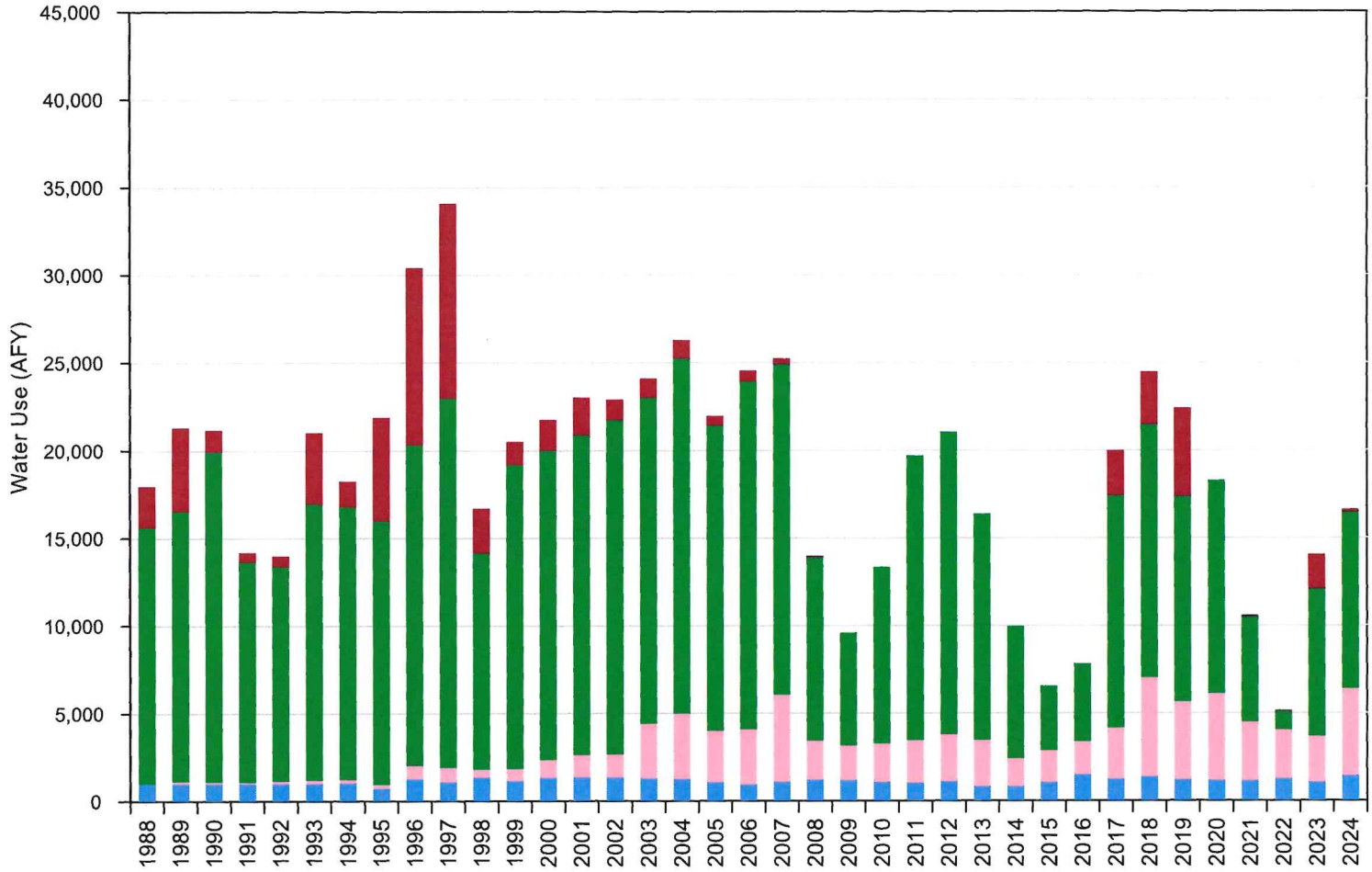


City of Hollister - GW Wells
San Juan Bautista Wells
Lessalt Water Treatment Plant
Undivided Total
Sunnyslope CWD Wells
City of Hollister - Cienega Wells
Tres Pinos CWD Well
West Hills Water Treatment Plant

March 2025

TODD GROUNDWATER

Figure 5-1
Municipal Water Supply by Source



March 2025

TODD GROUNDWATER

Figure 5-2
Total CVP Water Use by Type 1976-2024

TABLE 5-6. TOTAL WATER USE, AF

Management Area	Water Type	User Type	2019	2020	2021	2022	2023	2024	Method
Southern	Groundwater	M&I and Domestic	143	143	143	143	144	144	Simulated
		Agricultural	6,150	6,744	7,822	8,485	6,734	7,000	Simulated
Hollister	Groundwater	M&I and Domestic	1,808	2,056	3,748	3,517	3,555	2,050	Simulated
		Agricultural	34,204	37,164	44,093	50,175	37,020	45,562	Simulated
	CVP	M&I and Domestic	4,334	3,937	3,314	298	1,077	2,104	Reported Flow Meters
		Agricultural	7,864	8,564	4,519	805	6,080	6,495	Reported Flow Meters
	RW	M&I and Domestic	108	97	21	21	79	80	Reported Flow Meters
		Agricultural	461	428	405	590	404	341	Reported Flow Meters
San Juan	Groundwater	M&I and Domestic	415	363	360	463	475	505	Simulated
		Agricultural	17,605	19,579	22,144	24,803	15,607	19,188	Simulated
	CVP	M&I and Domestic	123	1,016	27	2,488	1,539	2,880	Reported Flow Meters
		Agricultural	3,867	3,602	1,561	291	2,358	3,605	Reported Flow Meters
Bolsa	Groundwater	M&I and Domestic	25	25	25	25	25	25	Simulated
		Agricultural	15,345	16,091	17,419	18,175	23,918	24,982	Simulated
Total	**Groundwater**	**All**	**75,694**	**82,165**	**95,753**	**105,787**	**87,478**	**99,455**	**Simulated**
	CVP	**All**	**16,188**	**17,119**	**9,421**	**3,882**	**11,054**	**15,084**	**Reported Flow Meters**
	RW	**All**	**569**	**526**	**426**	**611**	**484**	**421**	**Reported Flow Meters**
	TOTAL	**ALL**	**92,451**	**99,810**	**105,600**	**110,279**	**99,016**	**114,960**	**Various**

6-WATER MANAGEMENT ACTIVITIES

As presented in the North San Benito GSP, the GSAs have been actively managing their local groundwater resources for decades with various projects and management actions. The GSP summarizes ongoing efforts, indicates supplementary work on those efforts, and identifies potential future projects and management actions. This Annual Report provides an update on significant progress.

As defined in the GSP, *Projects* are substantial efforts that involve an increase in water supply or a reduction in demand for the GSP Area. Projects outlined in the GSP include:

- Develop Surface Water Storage (e.g., Pacheco Reservoir Expansion Project)
- Expand Managed Aquifer Recharge (MAR)
- Enhance Conjunctive Use
    - Hollister Urban Area Water and Wastewater Project
    - City of San Juan Bautista Regional Water and Wastewater Solution
    - North County Project
    - Zone 3 Operations Planning Tool
- Enhance Water Conservation.

Actions provide a framework for groundwater management and include establishing GSP procedures or policies, filling data gaps with scientific studies or improved monitoring, and providing for funding. Management Actions identified in the GSP include:

- Improve Monitoring Program and Data Management System (DMS)
- Measure agricultural groundwater extraction
- Improve monitoring well network and DMS
    - Improve water quality monitoring program
    - Enhance surface water gaging
- Develop Response Plans
- Enhance Water Quality Improvement Programs
- Reduce Potential Impacts to Groundwater Dependent Ecosystems (GDEs)
- Provide Long-term Basin-wide Funding Mechanism
- Provide GSP Administration, Monitoring, and Reporting.

The projects and management actions (PMAs) are presented in the GSP with an Implementation Plan that extends to 2045 in five-year intervals; the last interval includes the 2042 deadline for the 20-year implementation to achieve and demonstrate sustainability. Not all projects and management actions are updated specifically in this Annual Report, which focuses on projects and management actions with active implementation.

It is noted that the District monitoring program is summarized in Section 2, presenting the basis for subsequent information and analyses. Importation and distribution of CVP water in Zone 6 are described in Section 5. Sources of revenue to support District operations are presented in this section.

6-WATER MANAGEMENT ACTIVITIES

Surface Water Storage

Pacheco Reservoir Expansion Project. The surface water storage project with the most advanced planning is the Pacheco Reservoir Expansion (PRE) Project. The PRE Project is a collaborative effort of Valley Water, San Benito County Water District, and Pacheco Pass Water District. The project would establish a new dam and expanded reservoir on the North Fork of Pacheco Creek, which would store local watershed inflows and CVP supplies for use by the involved agencies. The PRE project has received funding from California Proposition 1 and Safe, Clean Water Program. Recent progress includes completion and release in November 2021 of the Draft Environmental Impact Report (EIR), public meeting on the project January 2022, and closure of the public comment period in February 2022. The EIR will be recirculated in the Summer of 2025 with a Final EIR expected in the Summer of 2026. Construction is expected to begin in 2027.

Managed Percolation

Ongoing North San Benito Basin management includes percolation of local surface water, wastewater, and CVP water. Considering climate change and potential growth in urban and agricultural water demand, the GSP recognizes the importance of continued percolation activities and future expansion.

Percolation of Local Surface Water. In most years, local surface water is released from Hernandez and Paicines reservoirs for percolation along the San Benito River and Tres Pinos Creek (see **Appendix D**). Releases are managed to maximize percolation along the stream channels of the San Benito River and Tres Pinos Creek and to avoid any losses out of the Basin.

Percolation of Wastewater. Wastewater is percolated by the City of Hollister at its Domestic and Industrial plants, by SSCWD at its Ridgemark Facilities, and by Tres Pinos County Water District. While the City of San Juan Bautista wastewater treatment plant also discharges wastewater, the flows are not considered to percolate to the groundwater basin because of local hydrogeologic conditions that result in outflow to San Juan Creek. As described in the next section, the City of San Juan Bautista Regional Water and Wastewater Solution (now being built) will convey San Juan Bautista wastewater to the City of Hollister Wastewater Treatment Plant (WWTP). Recent changes in operation of the wastewater facilities (including increased water recycling) and decreased municipal water use have decreased the volume percolating to the groundwater. Information about the amount of groundwater recharged from wastewater facilities is found in **Appendix D**.

Percolation of CVP Water. In Water Year 2024, the District percolated 137 AF of CVP. While the CVP allocations were available, percolation was limited to allow groundwater storage capacity for percolation of the large amount of outflow from the Hernandez Reservoir due to the engineering issue the District managed in Water Year 2024. In normal and wet years, the District percolates in four dedicated off-stream basins; locations are shown in **Figure 6-1.** The managed recharge of the imported water was critical in replenishing the Basin in the 1980s and 1990s; however, the threat of zebra mussel

contamination and low CVP allocations prevented the practice from 2008 to 2016. Given available CVP supply, the District has resumed recharge at dedicated off-stream percolation basins.

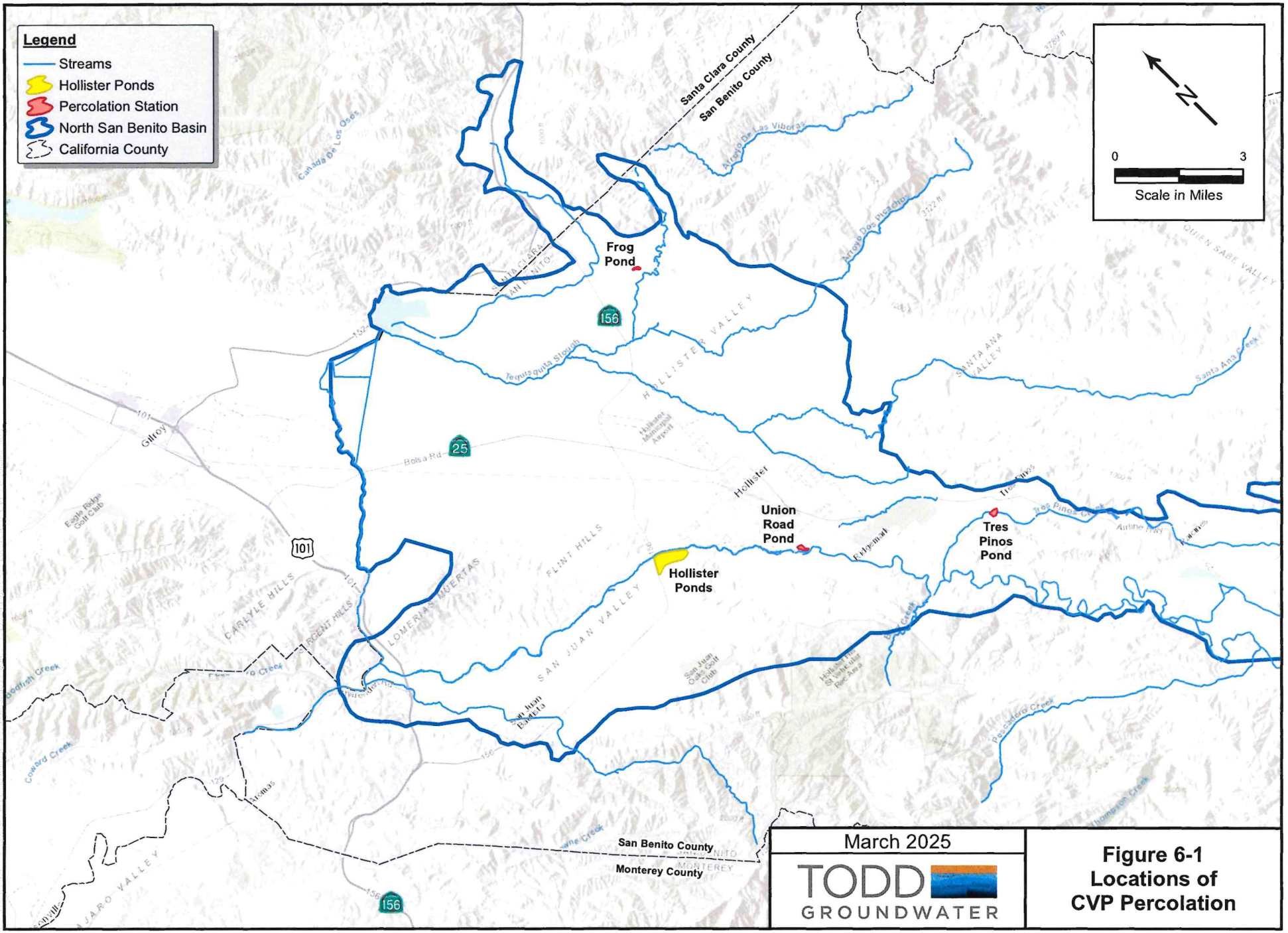
BF Sisk Dam Raise. USBR and DWR are implementing a project to raise the B.F. Sisk Dam that creates San Luis Reservoir to address seismic concerns. A subsequent phase of the project is being developed to increase water storage capability in the Reservoir. All phases of construction are scheduled for completion in 2031. SBCWD diverts its CVP allocations from San Luis Reservoir. Additional storage would increase the capacity for carryover storage of surface water allocations in years when excess water is available, for increased flexibility to use the entire CVP allocation.

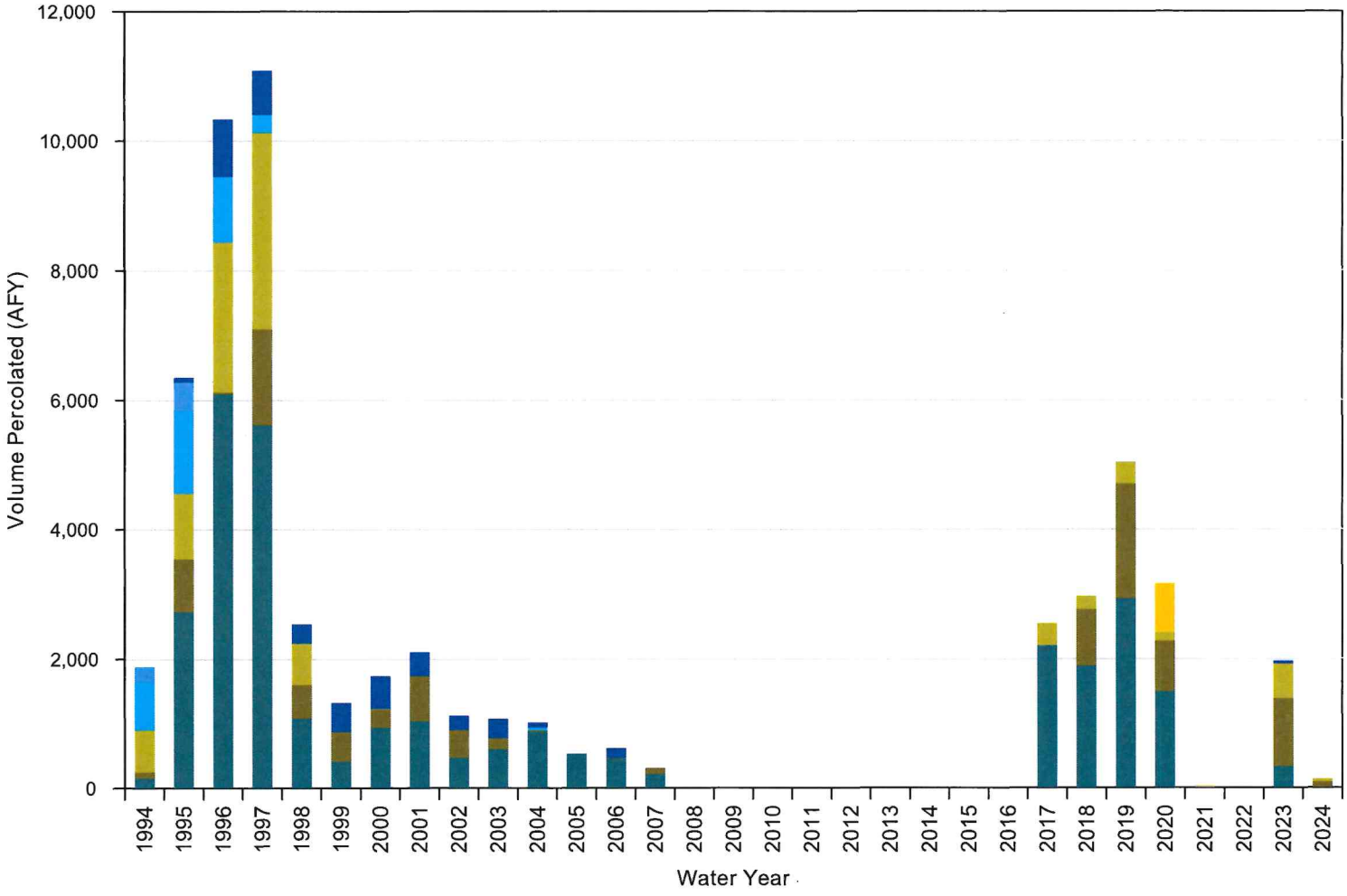
Managed Aquifer Recharge (MAR)

Expanding MAR was identified as a PMA in the 2022 GSP, and a MAR study was conducted and completed in Water Year 2022. The study identified injection wells as the best method for implementing MAR in the Basin. The District has planned a MAR project using injection wells, specifically Aquifer Storage and Recovery (ASR) and has begun implementation. The entire ASR Project is planned to provide for injection and storage of up to 6,000 acre-feet per year (AFY) of treated Central Valley Project (CVP) water in wet years with recovery of up to 6,000 AFY of stored water in dry years (HDR, June 2022; HDR, October 2022). Responding to the drought conditions in recent years, the ASR Project was re-envisioned to provide a portion of the storage and recovery on an accelerated timeline. This first phase, the Accelerated Drought Response Project (ADRoP), will be completed by November 2026and will consist of five ASR wells, expansion of the West Hills WTP, and construction of pipelines to convey injection and recovery water between the five ASR wells, West Hills WTP, and the Hollister Distribution System (HDR, October 2022).

In 2022 and 2023, the District successfully applied for and was awarded three individual grants to assist in funding ADRoP. These grants included DWR SGMA Implementation and Integrated Water Resource Management grants and a USBR Small Storage Grant. In total, the District has been awarded over $20 million for ADRoP to date.

In Water Year 2024, the District made significant progress on ADRoP. This included beginning West Hills WTP expansion construction, finalization of ASR well locations, and approaching finalization of property acquisition, State and Federal environmental planning, and well and facilities design. The design and environmental review process included diligent analysis of multiple ADRoP location options and coordination with local landowners and groundwater users to identify the best area in the Basin for the placement of the first set of ASR wells. The District is on-track to complete designs for all the wells, transmission infrastructure, and other facilities in early 2025 and select contractors to begin construction shortly thereafter.


Legend
Streams
Hollister Ponds
Percolation Station
North San Benito Basin
California County
N
0
3
Scale in Miles
Santa Clara County
San Benito County
Frog Pond
Union Road Pond
Tres Pinos Pond
Hollister Ponds
Gilroy
Hollister
San Juan Bautista
San Benito County
Monterey County
March 2025
TODD GROUNDWATER
Figure 6-1
Locations of
CVP Percolation



March 2025

TODD GROUNDWATER

Figure 6-2
Volume of CVP Recharge by Major Waterway over Time

6-WATER MANAGEMENT ACTIVITIES

Water Resources Planning and Conjunctive Use

As presented in the GSP, SBCWD is engaged in several conjunctive use projects; significant updates and recent accomplishments are summarized below.

Urban Water Management Plan (UWMP) and Agricultural Water Management Plan (AWMP). The District, in collaboration with Sunnyslope County Water District (SSCWD) and the City of Hollister, developed the 2020 UWMP for the Hollister Urban Area, which was submitted to DWR in 2021. The agencies continue to implement this plan. The UWMP provides detailed information on the current and future water supply and demand for the Hollister Urban Area and provides a comparison of supply and demand in normal years plus single-year and multi-year droughts. To address drought and other water shortages, the UWMP promotes water conservation, conjunctive use, and water recycling.

The 2020 Agricultural Water Management Plan (Todd Groundwater, Sept 2021) describes and evaluates water deliveries and uses, sources of supply, water quality, water delivery measurements, water rates and charges, water shortage allocation policies, drought management, and reasonable and practical efficient water management practices. The USBR accepted the AWMP in October 2022.

The District has begun to prepare for the next round of UWMP and AWMP. They are actively following updated from DWR and are on track for a 2026 submission.

San Benito Urban Areas Water and Wastewater Master Planning Project. This project (formerly called the Hollister Urban Area Water and Wastewater Plan) has represented an ongoing collaborative effort of SBCWD, City of Hollister, and SSCWD to provide a secure and stable water supply to the region. The project has involved provision of water treatment for CVP water, which allows its direct use for M&I purposes. It also allows delivery of improved quality water to customers. While recent USBR allocations for M&I users were reduced because of drought (see Section 5), the availability of water treatment capacity remains an important element of sustainability. The San Benito Urban Areas Water Supply and Treatment Master Plan was approved in October 2023 (HDR, 2023). The Master Plan includes the planned expansion to include City of San Juan Bautista. The Master Plan Update evaluated the reliability of the existing CVP supply and assessed various water supply alternatives to increase the resiliency of the water supply by providing storage of water available in wet years for later use during dry years. The highest-ranking alternative in the 2023 Master Plan is the ASR Project (ADRoP) described in the preceding section.

City of San Juan Bautista Regional Water and Wastewater Solution. As described in the GSP, the Regional Solution involves importing high quality water from the West Hills WTP to San Juan Bautista, replacing groundwater use, removing residential self-generating water softeners, reducing industrial salt loading to the City wastewater, and then conveying San Juan Bautista wastewater to the City of Hollister WWTP. The Regional Solution is now part of the Master Plan process. The San Juan Bautista Pipeline construction is underway and water deliveries may start as early as 2025.

North County Project. Test wells drilled in March 2021 as part of the North County Project were added to the North San Benito GSP groundwater level and quality monitoring program. Information about the wells (including ground surface elevation, screened intervals, and baseline conditions) are currently being collected. No action on the PMA was performed in Water Year2024.

Zone 3 Operations Planning Tool. The Zone 3 Operations Planning Tool is continuing to be updated annually and applied to guide Hernandez and Paicines reservoir operations.

Water Recycling. Water recycling is an ongoing conjunctive use project with the City of Hollister. Recycled water currently is provided to approximately 865 acres for agricultural production and landscape irrigation. Recycled water use is documented in Section 5 and Appendix D.

Water Conservation

Water conservation is an important tool to manage demands on the groundwater basin particularly during drought. Water conservation efforts in San Benito County are conducted through the Water Resources Association (WRA). WRA is a cooperative effort among the District, City of Hollister, City of San Juan Bautista, and Sunnyslope County Water District. The UWMP updated in 2021 includes a Water Supply Contingency Plan (WSCP) that includes water demand measures the District can implement during drought conditions. In response to the recent wetter years the Water Shortage Stage is at Stage 1 – Voluntary Water Conservation.

The WRA added a Turf Removal Program in May 2022 in response to the continued drought. The program has used state funding of $150,000 to pay customers to replace turf. The program pays $2 per square foot of turf removed up to 1,000 square feet ($2,000 maximum rebate). The program requires that participants use materials that are permeable and allow water to infiltrate through the soil. In addition, 25 percent of the area where the turf has been removed needs to be low-water use plants. Applicants have four months to complete their projects after their plans are approved.

In Water Year 2024, approximately 36,000 square feet of turf have been removed through the WRASBC's Turf Removal Program. There is approximately $78K remaining in the Turf Removal Program since the program began in 2022. The WRASBC expects to continue the program into FY 25/26 with additional funds being requested from Member Agencies. The WRASBC also applied for a Small-Scale Water Efficient grant through the Bureau of Reclamations WaterSMART program. The WRASBC requested $100K in their grant application that was recently submitted. The grant awards will be announced in June 2024.

The WRASBC had ramped up its school presentations and fieldtrips this year. There have been 10 such presentations and 10 field trips in Water Year 2024. Public outreach has also continued on virtual platforms including Facebook. WRA staff continues to author news articles for the online news sites that serve San Benito County. The articles provided water conservation and efficiency tips that were seasonal in nature and they continue to provide timely advice for water use. To supplement this effort, the WRA

is developing a series of water conservation videos for distribution to the local news media and the WRA website.

WRA has been monitoring changes in water use sectors that have occurred over time. With more residential water use and less water use in the agricultural and business sector, they are focusing their conservation message to residential customers. This focus extends to new residential development in the City. WRA reviews landscape plans for the City of Hollister to make sure that new homes comply with the State's Model Water Efficient Landscape Ordinance (MWELO) and follows up with a post inspection after the landscape materials are installed to ensure the landscape plans were followed. WRA and the water purveyors are implementing DWR's Urban Water Use Objective (UWUO), new legislation designed to set water use targets for each category of municipal water use. The District has also prepared 169 landscape audits and 205 home surveys to help customers implement water conservation measures.

Finally, WRA continues to provide various rebates (toilets, landscape hardware, etc.). The most popular rebate program is the water softener demolishing/replacement program. With provision of CVP supply for municipal use, the delivered water quality has improved, and customers are willing to abandon unneeded water softeners. This program has the benefit of improving the water quality of municipal wastewater and recycled water.

Monitoring Program and DMS

The GSP recognized that a single, reliable, and consistent method of measuring agricultural pumping is needed for the entire Basin. This was identified as a high-priority action, noting that it is required specifically for annual reporting. SBCWD is implementing the use of remote sensing services offered by OpenET to estimate groundwater use. OpenET uses satellites to estimate water consumed by crops and other plants and provides free ET data to public water managers throughout the western states. SBCWD has assessed the results of OpenET and finds it reasonably estimates consumptive water use in crops. The District is now reaching out to landowners to collect information on the application of surface water to better refine parcel water use estimates.

In addition, the GSP's monitoring network assessment provided recommendations for the DMS well inventory, including prompt development of a unique well identification for monitored wells that discontinues use of well names as identifiers. Well identifications were updated to be consistent with DWR site IDs used in the SGMA Portal's Monitoring Network Module (MNM). All wells are identified in this report by State Well Number. Another recommendation was to enhance the DMS with cross-referencing of monitoring sites (groundwater and surface water) relative to location and monitoring for regional groundwater level, groundwater quality, shallow groundwater, subsidence, or managed aquifer recharge. The DMS was updated for groundwater levels, pumping, CVP deliveries, water quality, and reservoir water balances, and cross referencing has been initiated.

6-WATER MANAGEMENT ACTIVITIES

Monitoring Well Network

The GSP's assessment of the monitoring network identified data gaps including the uneven distribution of monitored wells across the Basin, reliance on private production wells, and insufficient groundwater level data to assess vertical gradients. Installation of new dedicated monitoring wells in the Basin was identified as a top priority to enhance the existing groundwater monitoring network. This need reflected historical data gaps in the Basin related to water level and water quality monitoring and newly identified data gaps related to monitoring groundwater elevations in areas of interconnected surface water and GDEs. In 2022, new monitoring wells were added to the monitoring program, including six shallow and six deep monitoring wells. The wells are entered in the DMS and are included in regular monitoring. Additional information about these wells including the reference point and well depths will be added to the DMS when available. These wells will continue to be monitored by SBCWD for inclusion in future annual reports and periodic GSP updates.

In Water Year 2024, four Key Wells that had become inaccessible were replaced. Temporary MTs were established but the District should conduct a survey of nearby domestic wells to ensure these temporary MTs are protective of beneficial users. In addition, the District performed reference point surveying for 26 new wells to improve monitoring accuracy and increase the network density in areas of the basin lacking monitoring.

Develop Response Plans

The GSP concludes that the Basin is managed sustainably relative to groundwater levels, but nonetheless, recognizes that declining groundwater levels could occur rapidly and approach water level MTs during drought. Regular groundwater level monitoring and annual reporting were identified as appropriate management actions to provide an early warning system. An Action Plan was prepared to respond to wells that fall below the MT level and provides a guide for the District's response in the event of rapid and potentially problematic changes. The Action Plan, included in **Appendix A,** details a four-step process to respond to potentially problematic changes relative to groundwater level or water quality thresholds is triggered. These steps include:

1. Identify exceedance and investigate the representative monitoring well area
2. Determine contributing factors
3. Evaluate implementation of specific management actions and/or projects
4. Adopt Outreach and Enforcement Plan.

6-WATER MANAGEMENT ACTIVITIES

Water Quality Improvement Programs

The GSP identified potential management actions to enhance water quality including collaboration with UC Extension and other organizations toward reduced nitrate and salt loading by agriculture, support to farmers for use of remote sensing to optimize fertilizer applications, and cooperation with the County and local agencies on regulation of water softeners and wastewater treatment/disposal including onsite wastewater treatment systems. As noted above, the most popular rebate program for the WRA is the water softener demolishing / replacement program.

Reduce Potential Impacts to GDEs

A recommended management action is to reduce potential impacts to GDEs. Foremost among specific actions is installation of dedicated shallow monitoring wells to measure water table depth at locations where riparian vegetation might potentially be impacted by pumping. In 2021, six shallow monitoring wells were installed at selected locations near the Pajaro River, Pacheco Creek, San Benito River (three sites), and Tres Pinos Creek. These continue to be monitored and will be included in future annual reports and periodic GSP updates. In 2024 DWR released three papers providing new technical information on interconnected surface water (DWR, 2024a, b, and c). A guidance document to assist GSAs in assessing interconnected surface water conditions and establishing Sustainable Management Criteria (SMCs) consistent with SGMA is expected in 2025. This will be incorporated in the periodic evaluation of the GSP.

Long-term Funding

Groundwater sustainability necessitates the continuation of activities including monitoring, data compilation, data analysis, numerical model update, public outreach and annual reporting, five-year periodic evaluations, GSP amendments / updates, investigations, coordination with other agencies, and program administration. While SBCWD has conducted such activities, SGMA requirements are more comprehensive and rigorous. In addition, the extent of activities encompasses the entire North San Benito Groundwater Basin. Accordingly, the GSP identifies management actions to maintain long-term, basin wide funding.

In addition to establishing a groundwater management fee for the entire North San Benito Basin, the District has been pursuing grant funding. In December 2022, the District submitted an application for ADRoP for the DWR SGMA Implementation Round 2. In May 2023, DWR announced that the District was awarded $11.5 million for the project. The District also received $1.8 million from the Integrated

Resource Management Grant. In addition, the District plans to submit additional requests for the USBR Small Storage Grant.

Plan Approval

The GSP for North San Benito Subbasin was submitted January 2022 and approved by DWR in July 2023.

Along with its approval, DWR issued a GSP Assessment Staff Report (DWR, 2023) that documented the plan implementation of SGMA and provided corrective actions. The District has begun to address these corrective actions through project and management actions and will revise Sustainability Management Criteria (SMC) as needed in the periodic evaluation and update of the GSP due January 2027. The corrective actions are summarized below:

- **Recommended Corrective Action 1** - Update the sustainable management criteria for degraded water quality to provide clear definitions of undesirable results.
- **Recommended Corrective Action 2** - Identify the minimum threshold exceedances that constitute an undesirable result for land subsidence.
- **Recommended Corrective Action 3** - Consider utilizing the interconnected surface water guidance, as appropriate, when issued by the Department to establish quantifiable minimum thresholds, measurable objectives, and management actions. Continue to fill data gaps.
- **Recommended Corrective Action 4** - Identify the total number of monitoring wells and monitoring schedule in the degraded water quality monitoring network.

Additional details and suggestions are provided in the GSP Assessment Staff Report, which encourages additional clarification of the GSP and progress toward resolution of data gaps recognized in the 2021 GSP. These suggestions and corrective actions are being reviewed to start timely implementation.

Financial Information

The District derives its operating revenue from charges levied on landowners and water users. Non-operating revenue is generated from property taxes, interest, standby and availability charges, and grants. District zones of benefit are listed in **Appendix A**. Zone 6 charges, relating to the importation and distribution of CVP water, are the focus of this section. A brief Annual Groundwater Memorandum Report (in **Appendix A**) was presented to the SBCWD Board of Directors on January 10, 2025, including the recommended groundwater rates and presenting the technical justification for the rates.

Table 6-1 presents the groundwater charges for Zone 6 water users, which reflect costs associated with monitoring and management. A full worksheet of how groundwater charges are determined can be found in **Appendix F**. Groundwater charges are adjusted annually in March. For March 2024 – February 2025, District rates are $14.03/AF for agricultural use and $14.03/AF for M&I use. The District adopts

grants. District zones of benefit are listed in **Appendix A**. Zone 6 charges, relating to the importation and distribution of CVP water, are the focus of this section. A brief Annual Groundwater Memorandum Report (in **Appendix A**) was presented to the SBCWD Board of Directors on January 10, 2025, including the recommended groundwater rates and presenting the technical justification for the rates.

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TABLE 6-1. ADOPTED GROUNDWATER CHARGES

Water Year (Sept-Oct)	Agriculture ($/AF)	M&I ($/AF)
2021-2022	$13.55	$40.55
2022-2023	$13.55	$40.55
2023-2024	$13.75	$13.75
2024-2025	$14.03	$14.03
2025-2026	$14.31	$14.31

CVP rates (provided by the USBR) include the cost of service, restoration fund payment, charges for maintenance of San Luis Delta Mendota Water Authority facilities, and other fees (the breakdown is found in **Appendix G**). The District's blue valve rates (paid by users of CVP water) include a water charge and a power charge. Additionally, the standby and availability charge is a $6 per-acre charge assessed on all parcels with access to CVP water (an active or idle turnout from the distribution system). **Table 6-2** shows the CVP water charge and **Table 6-3** shows the CVP power charge.

TABLE 6-2. ADOPTED BLUE VALVE WATER CHARGES

	Blue Valve Water Charge ($/AF)				
	Agricultural			Municipal & Industrial	
Water Year (Sept-Oct)	Non - Full Cost	Full Cost (1a)	Full Cost (1b)	Small Parcel & Contract	Wholesale
2021-2022	$274.00	$411.00	$433.00	$424.00	$424.00
2022-2023	$274.00	$411.00	$433.00	$424.00	$647.00
2023-2024*	$294.68	$294.68	$294.68	$653.70	$653.70
2024-2025**	$300.58	$300.58	$300.58	$640.07	$640.07

*M&I rate do not include $100/AF reliability charge

**M&I rate do not include $175/AF reliability charge

TABLE 6-3. ADOPTED BLUE VALVE POWER CHARGES

Blue Valve Power Charge ($/AF)	Subsystem 2	Subsystem 6H	Subsystem 9L	Subsystem 9H	All other subsystems
3/1/2021	$85.35	$41.50	$93.55	$138.25	$35.75
3/1/2022	$85.35	$41.50	$93.55	$138.25	$35.75
3/1/2023	$40.22	$40.22	$94.01	$94.01	$40.22
3/1/2024	$41.64	$41.64	$97.31	$97.31	$41.64
3/1/2025	$43.10	$43.10	$100.73	$100.73	$43.10

Recycled water charges (**Table 6-4**) are set to recover current operating and maintenance costs related to the water service. Recycled water rates include those associated with water supply, water quality, and infrastructure.

TABLE 6-4. ADOPTED RECYCLED WATER CHARGES

Recycled Water ($/AF)		
Effective	Agriculture Rate	Power Charge
3/1/2021	$210.00	$61.85
3/1/2022	$211.00	$63.09
3/1/2023	$294.70	$101.10
3/1/2024	$300.59	$104.65
3/1/2025	$306.61	$108.32

Groundwater Management Fee

The District is authorized by California Water Code Section 10730(a), to collect fees to recover costs for GSP development, monitoring, and GSP Annual Reports. In July 2021, the SBCWD Board of Directors passed two resolutions respectively to levy a groundwater management fee and to request that the County of San Benito collect the groundwater management fee on the property tax rolls. The groundwater management fee is based on assessor's parcels and acreage, as the most appropriate way to ensure property owners are paying their fair share toward cost recovery. The annual rates are shown in **Table 6-5**.

Land categories as outlined below have been identified as the basis for application of fees to land within the Basin:

- Valley areas overlying productive portions of the Basin and benefiting significantly from GSP development and implementation, including major municipal and industrial areas, will be charged a land-based fee.
- Upland areas (UA) with less access to groundwater and insignificant benefit of groundwater management and GSP development will not be charged a fee.

TABLE 6-5. GROUNDWATER MANAGEMENT FEE

Groundwater Management Fee ($/Acre)	
2021-2022	$5.77
2022-2023	$5.92
2023-2024	$6.07
2024-2025	$6.23
2025-2026	$6.39

Those who receive their water through municipal agencies pay fees to their respective agencies. All other landowners are charged a fee as part of their San Benito County tax bill. It is expected that the District will have sufficient data to revise the Groundwater Management Fee to account for cost-recovery of extraction measurements during the periodic update of the GSP, to be completed in 2027.

SGMA Indicators

Of the six sustainability criteria developed by DWR, five are relevant to North San Benito Basin (seawater intrusion is not relevant). As documented in the GSP, the Basin has been and is being managed sustainably relative to all criteria. Accordingly, sustainability does not need to be achieved, but it does need to be maintained through the planning and implementation horizon. This will involve continuation and improvement of existing management actions—most notably import of Central Valley Project (CVP) water and its conjunctive use with groundwater. It also will include improvement and expansion of management actions and monitoring.

TABLE 7-1. SGMA INDICATORS

	Indicator	Status of Minimum Threshold
	Groundwater-Level Declines	Compile water level data. Compare key wells elevations with MTs
	Groundwater-Storage Reductions	Compute groundwater storage using the numerical model.
	Water-Quality Degradation	Compile water quality data. Summarize the findings for the triennal review.
	Land Subsidence	Download and review DWR InSar data
	Interconnected Surface-Water Depletions	Review key shallow wells elevations with MTs

While the North San Benito Basin has been managed sustainably, the following sustainability criteria were defined in the GSP because potential exists for undesirable results.

- The Minimum Threshold relative to **chronic lowering of groundwater levels** is defined at designated Key Wells by historical groundwater low levels adjusted to provide reasonable protection to nearby wells. Undesirable results are indicated when two consecutive exceedances occur in each of two consecutive years, in 60 percent or more of the key wells (e.g., three of five wells) in each Management Area. The Measurable Objective is to maintain

groundwater levels above the MTs and to maintain groundwater levels within the historical operating range.

- The Minimum Threshold for **reduction of storage** for all Management Areas is fulfilled by the minimum threshold for groundwater levels as proxy. The Measurable Objective for storage is fulfilled by the MT for groundwater levels, which maintains groundwater levels within the historical operating range.
- The Minimum Threshold for **land subsidence** is defined as a rate of decline equal to or greater than 0.2 feet in any five-year period. This has been considered in terms of a potential cumulative decline equal to or greater than one foot of decline since 2015; 2015 represents current conditions and the SGMA start date. The extent of cumulative subsidence across the Basin will be monitored and evaluated using InSAR and UNAVCO data. Subsidence is closely linked to groundwater levels, and it is unlikely that significant inelastic subsidence would occur if groundwater levels remain above minimum thresholds.
- The Minimum Thresholds for **degradation of water quality** address nitrate and TDS for each MA. The MT for nitrate is defined initially as the percentage of wells with concentrations exceeding the nitrate Maximum Contaminant Limit (MCL) (45 mg/L) based on current conditions (2015-2017). The MT for TDS is defined initially as the percentage of wells with concentrations exceeding the TDS value of 1,200 mg/L based on current conditions. The Measurable Objectives for both are defined as maintaining or reducing the percentage of wells with median concentrations exceeding the MTs.
- The Minimum Threshold for **depletion of interconnected surface water** is the amount of depletion associated with the lowest water levels during the 1987-1992 drought, with some adjustments made for wells with groundwater levels lower in 2016 than in 1992. Undesirable results would occur if more than 25 percent of monitored wells within 1 mile of a shallow water table reach along the Pajaro River, Pacheco Creek, San Benito River, or Tres Pinos Creek had static spring water levels lower than the lowest static spring water level during 1987-1992.

Updates on SGMA Indicators

Chronic lowering of groundwater levels. Sustainability criteria (minimum thresholds and measurable objectives) for groundwater levels rely on a network of representative monitoring wells (Key Wells). The MT for a Key Well was based on its historical low levels and adjusted as needed to minimize any risk to nearby domestic wells of future low-water levels. For each Management Area, **Figures 3-4 through 3-7** show the Key Well hydrographs and their respective MTs for groundwater levels. Current water levels are above the individual well MT in all but one key well.

Last year, Water Year 2023, four key wells were identified as unavailable – the landowner no longer granted access, the well had been destroyed, or there was an issue obtaining a water level. Replacement wells were identified for these wells. The replacement wells are located nearby in the same MA, have long term access arrangements, and reflect representative water levels. A temporary MT was set in each replacement well at the historic low water level. These MTs will be revised in the next periodic

evaluation. A complete analysis of these wells, surrounding domestic wells, and potential undesirable results will be performed to identify new permanent key wells with corresponding MTs.

Table 7-2 lists the 22 key wells and their respective MTs, as well as the minimum groundwater elevation for Water Year 2024. Groundwater elevations were measured above the MT in 22 wells, two of these wells were flowing artesian wells (and thus above the MT). In Water Year 2024, one well in San Juan MA showed groundwater elevations below the respective MT.

In San Juan MA, Well 13-5-6L1 was first measured below the MT in October 2021 as reported in previous annual reports. Water Year 2024 represents the fourth year with this well's groundwater level below the MT, even after two consecutive above normal water years. Continued local pumping may be impacting this well. Undesirable results for water levels are defined as 60 percent of wells in the MA below the individual well threshold (MT) – for now this well represents 25 percent of the original key wells in San Juan. With the addition of the nearby DB-1 well to the list of key wells for the MA this single threshold exceedance represents 20 percent of the key wells in the MA. While no action is required, the groundwater levels in this key well should be reviewed and this area considered for targeted management. The District plans to investigate the local area at the next sampling event.

Overall, the data indicate that the Basin is not currently affected by undesirable results due to chronic lowering of groundwater levels.

TABLE 7-2. KEY WELLS

Groundwater Level Key Well	MA	Minimum Threshold Depth to Water (ft-bgs)	Minimum Threshold Elevation ft (NAVD 88)	Minimum Groundwater Elevation Water Year 2024	Above MT	Years Below MT	Notes
11-4-25H2	Bolsa	144	4	91.57	y		
11-5-21E2	Bolsa	63	92	155	y		
12-5-17D1	Bolsa	185	32	63.22	y		
12-5-6L1	Bolsa	176	1	150.55	y		
11-5-28B1	Bolsa	102	66	168	y		
11-5-35G1	Hollister	104	102	182.24	y		
12-5-34P1	Hollister	150	144	226.5	y		
12-5-3B1	Hollister	96	86	182	y		
12-6-6L4	Hollister	64	184	217.73	y		
MW DW3	Hollister	97.89	172.454	175.664	y		Replacement for 12-5-24N1
11-5-13D1	Hollister	97	161	229.31	y		
13-6-19L0	Hollister	178.24	281.76	309.86	y		Replacement for 13-6-19K1
13-4-3H1	San Juan	155	52	148.5	y		
13-5-6L1	San Juan	110	131.5	127.5	N	4	
DB-1	San Juan	115.6	123.083	125.993	y		Replacement for 13-4-01K1
12-4-17L20	San Juan	47	93	122.09	y		
12-4-35A1	San Juan	139.4	76.6	172.79	y		Replacement for 12-4-26G1
14-7-20K1	Southern	79	687	719.5	y		
14-6-13B1	Southern	59	637	641.18	y		
14-6-26F0	Southern	136	556	641.29	y		
14-6-26H1	Southern	73	609	625.02	y		
14-6-26K1	Southern	45	623	637.11	y		

Reduction of storage. This indicator is tracked using the groundwater levels at key wells as a proxy. In addition, the change in groundwater in storage is estimated by the numerical model (Section 4). The groundwater level data indicate that the Basin is not currently affected by undesirable results due to depletion of groundwater storage.

Land Subsidence. Land subsidence is tracked using the regional InSAR data and the site-specific UNAVCO station data provided by DWR) on its SGMA Data Viewer (DWR 2025). The most recent InSAR maps (showing change in ground elevation over Water Year 2024) indicate no areas of displacement; the basin has experienced -0.1 to 0.1 (feet) of change. This marks two years of no change in displacement. The UNAVCO data from Station 242 in northwest Bolsa was available for Water Year 2024. The available UNAVCO data indicate that ground surface decline reached its maximum in the water year during September 2024, but the annual low was higher than the low experienced in October 2022. As with every year, the basin experienced its seasonal elastic rebound through May, likely due to the wetter spring conditions. A more comprehensive analysis of the potential for subsidence will be included in the GSP periodic evaluation.

Degradation of water quality. Water quality (TDS, nitrate) continues to be monitored in the SBCWD Water Quality Monitoring Program. As discussed in Section 3, a detailed analysis and comparison of triennial data with the Minimum Thresholds was performed in Water Year 2022. For 2020-2022, the Southern, Hollister and Bolsa MAs showed decreases in the percent of wells that exceeded the respective basin objectives (based on 2015-2017) established in the GSP.

For 2020-2022, the San Juan MA showed an increase in the percent of wells with TDS concentrations greater than 1,200 mg/L basin objective, in part due to the expansion of the Irrigated Lands Program (Aglands) monitoring new locations. The SBCWD monitoring program showed only two out of six monitored wells (33%) in the San Juan MA with TDS concentrations greater than 1,200 mg/L. This particular increase in the San Juan MA does not represent a regional change in groundwater quality; continued monitoring and expanded dedicated monitoring in San Juan MA is recommended.

Depletion of interconnected surface water. Nineteen wells are currently identified as key wells for Interconnected Surface Water. These are historically monitored wells within one mile of stream reaches where springtime depth to water is typically 20 feet or less (and the key wells are not separated from the reach by a fault). The locations of the wells are shown as orange dots in **Figure 3-4** through **3-7** for each MA. The MT for these wells is based on the lowest water level in either spring 1992 or Spring 2016. As with water level Key Wells, the District has selected temporary replacement wells for three Key Wells that have been inaccessible. Temporary MTs were set at the Spring 1992 or Spring 2016 low conditions for these wells. All of the Key Wells and their MTs for Interconnected Surface water will be re-evaluated for the GSP periodic evaluation.

Table 7-3 lists the nineteen wells and their respective MTs, as well as the groundwater elevation for Spring 2024. As noted previously, three wells were replaced because the District was unable monitor the originally identified wells.

TABLE 7-3. INTERCONNECTED SURFACE WATER WELLS

Surface Water / GDE Key Well	Spring MT Groundwater Elevation (ft NAVD88)	Groundwater Elevation Spring 2024	Above MT	Years Below MT	Notes
11-4-26B1	127	132.5	Y		
11-4-34A1	128	134	Y		
11-5-13D1	214	231.51	Y		
11-5-20N1	90	85.68	N	4	
11-5-27P2	122	169.22	Y		
11-5-28B1	128	168	Y		
12-4-17L20	113	125.66	Y		
12-4-21M1	120	146.78	Y		
12-4-34H1	117	160.19	Y		
12-4-35A1	126	181.02	Y		Replacement -12-4-26G1
13-5-11E1	220	284.02	Y		
13-5-13F1	316	330.21	Y		
13-6-19L0	281.77	312.68	Y		Replacement -13-6-19K1
13-6-20K1	396	418.56	Y		Replacement - 13-6-19J1
14-6-13B1	633	646.16	Y		
14-6-26F0	624	588	Y		
14-6-26H1	620	609.33	Y		
14-6-26K1	618	554	Y		
14-6-35B1	637	659.5	Y		

Based on spring water levels, 18 wells had groundwater elevations measured above the individual MT. Only one of the key wells for surface water interconnection was below the MT level. Well 11-5-20N1 located in the Bolsa MA on Tequisquita Slough showed a groundwater elevation of 85.68 feet, slightly lower than the 90-foot threshold. This well has been below the MT for four consecutive years, with the last two being above average precipitation and surface water supply. Water levels at this location show a strong seasonal trend with water levels higher in the winter and lower in the summer. Additional data and analysis are needed at this well to understand the seasonal variation, which can range over 60 feet or more, and to evaluate the well's suitability for representing interconnected surface water and GDE conditions. While the annual range in the levels have been lower than the past (20 feet in Water Year 2024), the water level declines appear to begin earlier in the year. The District will investigate changes in seasonal groundwater pumping near this locations. This one well represents five percent of the total monitored in Spring 2024. Interconnected surface water undesirable results were defined in the GSP as 25 percent of wells with water levels below the individual MT. This has not occurred as of 2024. DWR has recently released three technical papers on interconnected surface water (DWR, 2024a, b, and c).

The District will review these papers and the forthcoming guidance and update the SMCs for Interconnected Water in future GSP periodic evaluations.

8-RECOMMENDATIONS

District policies and programs have served to effectively manage water resources for many years. The District, working collaboratively with other agencies, has eliminated historical overdraft through importation of CVP water, has developed and managed multiple sources of supply to address drought, has established an active and effective water conservation program, has initiated programs to protect water quality, and has improved delivered water quality to many municipal customers. The District also has provided consistent reporting and outreach. The following recommendations are responsive to the District Act and support effective management consistent with SGMA.

Monitoring Programs

Through GSP implementation, the monitoring programs should continue to be improved to provide the SBCWD Board of Directors with information to support management of the groundwater supplies of the District and its zones. Detailed monitoring recommendations have been developed as part of the GSP, including accurate measurement of agricultural groundwater pumping, which has been identified as an important data gap. Accurate groundwater production data is consistent not only with SGMA but also with the District Act, by which the Board of Directors can order an Annual Report, which reports on total production of water from the groundwater supplies of the District during the water year. This supports the following recommendations, provided in response to the District Act, as to the quantity of water needed for surface delivery and for replenishment of groundwater supplies, and whether or not a groundwater charge should be levied and if so, what rate per acre-foot. The District should continue to pursue methods to quantify groundwater pumping in the Basin, including OpenET.

The District should update their QA/QC of groundwater data to ensure that the monitoring network is accurately measuring changes in groundwater levels across the basin. represent regional trends, have long records of monitoring, and have the same general construction.

Groundwater Production and Replenishment

Past District percolation operations helped to reverse historical overdraft and then accumulate a water supply reserve. The District currently manages groundwater storage and surface water to minimize excessively high or low groundwater elevations on a temporal and geographic basis. The District should continue to operate Hernandez and Paicines to improve downstream groundwater conditions. In 2024, the District provided limited off-channel percolation of CVP water; this should be continued with optimization of recharge when CVP water is available. In light of climate change and increasing variability of CVP supply, replenishment projects like ADRoP should be pursued as a groundwater management priority. Such replenishment operations are critical to sustainable groundwater supply.

8-RECOMMENDATIONS

CVP Purchase Recommendation

CVP imports continue to be a critical source of supply for agricultural users and M&I. The water retailers rely on continued CVP water, treated through Lessalt or West Hills WTP, to provide quality drinking water to their customers. This ability to maximize CVP use will increase flexibility for local water users to use groundwater or CVP. CVP also provides better quality water for delivery to municipal customers and results in improved wastewater quality, which supports water recycling. In addition, the District is pursuing projects to store CVP imports in wet years through ASR (ADRoP) and can continue to percolate the water through off-stream channels. As such, the District should continue to purchase the maximum available CVP volume allocated during the upcoming contract year.

Groundwater Charges

The groundwater charge for the current USBR contract year (March 2024-February 2025) is recommended to be $14.03 per AF for agricultural use in Zone 6 and a groundwater charge of $14.03 per AF is recommended for M&I use. For the upcoming year March 2025 – February 2026, District rates are proposed to be $14.31 for agricultural use and $14.31 for M&I use. The District adopts rates on a three-year cycle. Current water rates were adopted January 2023.

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APPENDIX A REPORTING REQUIREMENTS

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SGMA Annual Report Data Upload

San Benito County Water District Annual Groundwater Report for January 10, 2025 Meeting of the Board of Directors

APPENDIX A REPORTING REQUIREMENTS

The San Benito County Water District Act (1953) is codified in California Water Code Appendix 70. Section 70-7.6 (District Act) authorizes the District Board of Directors to require the District to prepare an annual groundwater report. This Annual Report satisfies both the requirements of a SGMA Annual Report and report detailed in the District Act. The District Act requires that the report address the District and its zones of benefit (**Table A-1**) for the water year. While section 70-7.2 defines the water year as March through February, the same as the USBR contract year, Section 70-7.6 identifies data sets to be documented for the hydrologic water year, October through September.

Table A-1. District Zones of Benefit

Zone	Area	Provides
1	Entire County	Specific District administrative expenses
3	San Benito River Valley (Paicines to San Juan) and Tres Pinos River Valley (Paicines to San Benito River)	Operation of Hernandez and Paicines reservoirs and related groundwater recharge and management activities
6	Hollister and San Juan Management Areas of North San Benito Groundwater Basin (previously San Juan, Hollister East, Hollister West, Pacheco, Bolsa SE, and Tres Pinos subbasins)	Importation and distribution of CVP water and related groundwater management activities

The Board has consistently ordered preparation of Annual Reports, and the reports have included the contents specified Section 70-7.6. The following table shows the contents specified by the Act and the section of the Annual Report where the information is available.

The full text of Appendix 70, Section 70-7.6 through 7.8 is enclosed in this appendix.

APPENDIX A REPORTING REQUIREMENTS

Table A-2. District Act Requirements

District Act Requirements		Annual Report Section	Notes
Overdraft	An estimate of the annual overdraft for the current water year and for the ensuing water year. Information for the consideration of the Board in its determination of the annual overdraft and accumulated overdraft as of September 30 of the current year	4	The water balance is simulated for the continuous period from January 1976 through September 2023. The basin is not in overdraft over the contract year (March 2022 through February 2023) or the water year (October 2022 through September 2023).
Total Production	A report as to the total production of water from the groundwater supplies of the District and its zones as of September 30 of the current year.	5	CVP imports, groundwater pumping, and recycled water use are reported for agricultural and other uses for the hydrologic water year ending September 30
	Information for the consideration of the Board in its determination of the estimated amount of agricultural water and the estimated amount of water other than agricultural water to be withdrawn from the groundwater supplies of the District and its zones		
Future Purchase	The amount of water the District is obligated to purchase during the ensuing water year.	5, 8	The allocations for the contract years covered by the report are shown in Tables 5-1 and 5-2. Recommendations to purchase the full amount available are provided.
	A recommendation as to the quantity of water needed for surface delivery and for replenishment of the groundwater supplies of the District and its zones during the ensuing water year.		
Rate	A recommendation as to whether or not a groundwater charge should be levied in any zone(s) of the District in the ensuing water year and if so, a rate per acre-foot for all water other than agricultural water for such zone(s)	6, Appendix G, and Engineer's Report	Rate information is provided by the contract (USBR) year
Other	Any other information the Board requires.	1-9	The report includes SGMA implementation, financial information, and other content requested by staff and Board.

APPENDIX A REPORTING REQUIREMENTS

Water Code Appendix 70 Excerpts

Sec. 7.6. the board by resolution require the district to annually prepare an investigation and report on groundwater conditions of the district and the zones thereof, for the period from October 1 of the preceding calendar year through September 30 of the current year and on activities of the district for protection and augmentation of the water supplies of the district and the zones thereof. The investigation and report shall include all of the following information:

(a) Information for the consideration of the board in its determination of the annual overdraft.

(b) Information for the consideration of the board in its determination of the accumulated overdraft as of September 30 of the current calendar year.

(c) A report as to the total production of water from the groundwater supplies of the district and the zones thereof as of September 30 of the current calendar year.

(d) An estimate of the annual overdraft for the current water year and for the ensuing water year.

(e) Information for the consideration of the board in its determination of the estimated amount of agricultural water and the estimated amount of water other than agricultural water to be withdrawn from the groundwater supplies of the district and the zones thereof for the ensuing water year.

(f) The amount of water the district is obligated to purchase during the ensuing water year.

(g) A recommendation as to the quantity of water needed for surface delivery and for replenishment of the groundwater supplies of the district and the zones thereof the ensuing water year.

(h) A recommendation as to whether or not a groundwater charge should be levied in any zone or zones of the district during the ensuing year.

(i) If any groundwater charge is recommended, a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for such zone or zones.

(j) Any other information the board requires.

(Added by Stats. 1965, c. 1798, p.4167, 7. Amended by Stats.1967,c.934, 5, eff. July27,1967; Stats. 1983, c. 402, 1; Stats. 1998, c. 219 (A.B.2135), 1.)

APPENDIX A REPORTING REQUIREMENTS

Section 70-7.7. Receipt of report; notice of hearing; contents; hearing

Sec. 7.7. (a) On the third Monday in December of each year, the groundwater report shall be delivered to the clerk of the board in writing. The clerk shall publish, pursuant to Section 6061 of the Government Code, a notice of the receipt of the report and of a public hearing to be held on the second Monday of January of the following year in a newspaper of general circulation printed and published within the district, at least 10 days prior to the date at which the public hearing regarding the groundwater report shall be held. The notice shall include, but is not limited to, an invitation to all operators of water producing facilities within the district to call at the offices of the district to examine the groundwater report.

(b) The board shall hold, on the second Monday of January of each year, a public hearing, at which time any operator of a water-producing facility within the district, or any person interested in the condition of the groundwater supplies or the surface water supplies of the district, may in person, or by representative, appear and submit evidence concerning the groundwater conditions and the surface water supplies of the district. Appearances also may be made supporting or protesting the written groundwater report, including, but not limited to, the engineer's recommended groundwater charge.

(Added by Stats. 1965, c. 1798, p. 4167, 8. Amended by Stats. 1983, c. 02,2; Stats. 1998, c. 219 (A.B.2135,2.)

Section 70-7.8. Determination of groundwater charge; establishment of rates; zones; maximum charge; clerical errors

Sec. 7.8. (a) Prior to the end of the water year in which a hearing is held pursuant to subdivision (b) of Section 7.7, the board shall hold a public hearing, noticed pursuant to Section 6061 of the government Code, to determine if a groundwater charge should be levied, it shall levy, assess, and affix such a charge or charges against all persons operating groundwater- producing facilities within the zone or zones during the ensuing water year. The charge shall be computed at fixed and uniform rate per acre-foot for agricultural water, and at a fixed and uniform rate per acre-foot for all water other than agricultural water. Different rates may be established in different zones. However, in each zone, the rate for agricultural water shall be fixed and uniform and the rate for water other than agricultural water shall be fixed and uniform. The rate for agricultural water shall not exceed one-third of the rate for all water other than agricultural water.

(b) The groundwater charge in any year shall not exceed the costs reasonably borne by the district in the period of the charge in providing the water supply service authorized by this act in the district or a zone or zones thereof.

(c) Any groundwater charge levied pursuant to this section shall be in addition to any general tax or assessment levied within the district or any zone or zones thereof.

(d) Clerical errors occurring or appearing in the name of any person or in the description of the water-producing facility where the production of water there from is otherwise properly charged, or in the making or extension of any charge upon the records which do not affect the substantial rights of the assesse or assesses, shall not invalidate the groundwater charge.

(Added by Stats. 1965, c. 1798, p. 4168, 9. Amended by Stats. 1983, c. 402, 3; Stats.1983, c. 402, 3; Stats. 1998, c. 219 (A.B.2135), 3.)

APPENDIX A REPORTING REQUIREMENTS

SGMA Annual Elements Guide

Groundwater Sustainability Plan Annual Report Elements Guide

Basin Name	North San Benito		
GSP Local ID			
California Code of Regulations - GSP Regulation Sections	***Groundwater Sustainability Plan Elements***	**Document *page number(s) that address the applicable GSP element.***	***Notes: Briefly describe the GSP element does not apply.***
Article 5	**Plan Contents**		
Subarticle 4	***Monitoring Networks***		
§ 354.40	**Reporting Monitoring Data to the Department**		
	Monitoring data shall be stored in the data management system developed pursuant to Section 352.6. A copy of the monitoring data shall be included in the Annual Report and submitted electronically on forms provided by the Department.	Figures 3-4, 3-5, 3-6, 3-7, Appendix C	
	Note: Authority cited: Section 10733.2, Water Code. Reference: Sections 10728, 10728.2, 10733.2 and 10733.8, Water Code.		
Article 7	**Annual Reports and Periodic Evaluations by the Agency**		
§ 356.2	**Annual Reports**		
	Each Agency shall submit an annual report to the Department by April 1 of each year following the adoption of the Plan. The annual report shall include the following components for the preceding water year:		
	(a) General information, including an executive summary and a location map depicting the basin covered by the report.	ES, Figure 1-1	
	(b) A detailed description and graphical representation of the following conditions of the basin managed in the Plan:		
	(1) Groundwater elevation data from monitoring wells identified in the monitoring network shall be analyzed and displayed as follows:		
	(A) Groundwater elevation contour maps for each principal aquifer in the basin illustrating, at a minimum, the seasonal high and seasonal low groundwater conditions.	Figure 4-6, 4-7	
	(B) Hydrographs of groundwater elevations and water year type using historical data to the greatest extent available, including from January 1, 2015, to current reporting year.	Figures 3-4, 3-5, 3-6, 3-7	
	(2) Groundwater extraction for the preceding water year. Data shall be collected using the best available measurement methods and shall be presented in a table that summarizes groundwater extractions by water use sector, and identifies the method of measurement (direct or estimate) and accuracy of measurements, and a map that illustrates the general location and volume of groundwater extractions.	Table 5-2, Figure 4-5	
	(3) Surface water supply used or available for use, for groundwater recharge or in-lieu use shall be reported based on quantitative data that describes the annual volume and sources for the preceding water year.	Table 5-1, 5-2, Appendix E	
	(4) Total water use shall be collected using the best available measurement methods and shall be reported in a table that summarizes total water use by water use sector, water source type, and identifies the method of measurement (direct or estimate) and accuracy of measurements. Existing water use data from the most recent Urban Water Management Plans or Agricultural Water Management Plans within the basin may be used, as long as the data are reported by water year.	Table 5-2, Figure 4-5	
	(5) Change in groundwater in storage shall include the following:		

California Code of Regulations - GSP Regulation Sections	*Groundwater Sustainability Plan Elements*	Document *page number(s) that address the applicable GSP element.*	*Notes: Briefly describe the GSP element does not apply.*
	(A) Change in groundwater in storage maps for each principal aquifer in the basin.	Figure 4-8	
	(B) A graph depicting water year type, groundwater use, the annual change in groundwater in storage, and the cumulative change in groundwater in storage for the basin based on historical data to the greatest extent available, including from January 1, 2015, to the current reporting year.	Figures E-1, E-2, E-3, and E-4	
	(c) A description of progress towards implementing the Plan, including achieving interim milestones, and implementation of projects or management actions since the previous annual report.	Section 6	

APPENDIX A REPORTING REQUIREMENTS

SGMA Annual Report Data Upload

North San Benito Annual SGMA Portal A Groundwater Extractions

Basin Number	3-003.05
Water Year	2024 (Oct. 2023 - Sept. 2024)
Total Groundwater Extractions (AF)	99,455
Water Use Sector Urban (AF)	2,723
Water Use Sector Industrial (AF)	-
Water Use Sector Agricultural (AF)	96,732
Water Use Sector Managed Wetlands (AF)	-
Water Use Sector Managed Recharge (AF)	-
Water Use Sector Native Vegetation (AF)	-
Water Use Sector Other (AF)	-
Water Use Sector Other Description	

Basin Number	3-003.05
Water Year	2024 (Oct. 2023 - Sept. 2024)
Meters Volume (AF)	-
Meters Description	
Meters Type	
Meters Accuracy (%)	
Meters Accuracy Description	
Electrical Records Volume (AF)	0
Electrical Records Description	
Electrical Records Type	
Electrical Records Accuracy (%)	
Electrical Records Accuracy Description	
Land Use Volume (AF)	0
Land Use Description	
Land Use Type	
Land Use Accuracy (%)	
Land Use Accuracy Description	
Groundwater Model Volume (AF)	99,455.0
Groundwater Model Description	Numerical Model developed for the GSP and updated for the Annual Report
Groundwater Model Type	Estimate

Groundwater Model Accuracy (%)	50-60 %
Groundwater Model Accuracy Description	Without data on the actual water use it is impossible to calculate the % accuracy
Other Method(s) Volume (AF)	-
Other Method(s) Description	
Other Method(s) Type	
Other Method(s) Accuracy (%)	
Other Method(s) Accuracy Description	

Basin Number	3-003.05
Water Year	2024 (Oct. 2023 - Sept. 2024)
Methods Used To Determine	Meters
Water Source Type Central Valley Project (AF)	15084
Water Source Type State Water Project (AF)	-
Water Source Type Colorado River Project (AF)	-
Water Source Type Local Supplies (AF)	-
Water Source Type Local Imported Supplies (AF)	-
Water Source Type Recycled Water (AF)	421
Water Source Type Desalination (AF)	-
Water Source Type Other (AF)	-
Water Source Type Other Description	-

Basin Number	3-003.05
Water Year	2024 (Oct. 2023 - Sept. 2024)
Total Water Use (AF)	114,960
Methods Used To Determine	Model Estimate for groundwater pumping
Water Source Type Groundwater (AF)	99,455
Water Source Type Surface Water (AF)	-
Water Source Type Recycled Water (AF)	421
Water Source Type Reused Water (AF)	-
Water Source Type Other (AF)	15,084
Water Source Type Other Description	CVP
Water Use Sector Urban (AF)	7,788
Water Use Sector Industrial (AF)	-
Water Use Sector Agricultural (AF)	107,173
Water Use Sector Managed Wetlands (AF)	-
Water Use Sector Managed Recharge (AF)	-
Water Use Sector Native Vegetation (AF)	-
Water Use Sector Other (AF)	-

Water Use Sector Other Description	

APPENDIX A REPORTING REQUIREMENTS

Memorandum Report:

San Benito County Water District Annual Groundwater Report
for January 10, 2025 Meeting of the Board of Directors

TODD GROUNDWATER

December 19, 2024

MEMORANDUM REPORT

To: Jeff Cattaneo and Dana Jacobson, San Benito County Water District

From: Iris Priestaf, PhD and Maureen Reilly, PE

Re: San Benito County Water District Annual Groundwater Report for January 6, 2025 Meeting of the Board of Directors

The San Benito County Water District (District or SBCWD) was formed in 1953 by a special act (District Act) of the State with responsibility and authority to manage groundwater. The District Act authorizes the Board of Directors, at its discretion, to direct staff to prepare an annual report on groundwater conditions of the District and its zones of benefit, such as Zone 6, the area for distribution of Central Valley Project (CVP) water. The groundwater report (addressing the previous water year from October 1 through September 30) also summarizes activities of the District for protection and augmentation of water supplies and provides management recommendations. Annual Groundwater Reports have been prepared since the 1970s and District Act requirements are listed in Appendix A of recent reports.

In response to the 2014 Sustainable Groundwater Management Act (SGMA), the District became the exclusive Groundwater Sustainability Agency (GSA) for the North San Benito Groundwater Basin (Basin) in San Benito County. In coordination with Santa Clara Water District (Valley Water), the GSA for the Santa Clara County portion of the Basin, the District led preparation of a Groundwater Sustainability Plan (GSP) for the Basin that was submitted to the California Department of Water Resources (DWR) in January 2022 and received Approval from DWR in July 2023. Starting in 2022, the District shifted Annual Groundwater Report preparation to align with the requirements of SGMA, and SGMA Annual Reports for water years 2021 - 2023 (Todd 2022, 2023, 2024) have been prepared for local use and submittal to DWR. The District recently initiated preparation of the SGMA Annual Report for water year 2024 in accordance with SGMA and consistent with the District Act. The water year 2024 SGMA Annual Groundwater Report is planned for completion by April 1, 2025.

This brief Memorandum Report has been prepared at the direction of the SBCWD Board of Directors to address requirements of the District Act, while recognizing that the SGMA Annual Report will provide the substantial documentation that has been presented in pre-SGMA Annual Groundwater Reports.

1. GROUNDWATER BASIN CONDITIONS

As documented in the GSP (Todd 2021), the Basin is not in overdraft. Historical overdraft was halted through importation of CVP water and other management actions. In water year (WY) 2024[1], the wet conditions from WY 2023 resulted in higher allocations in the beginning of the year and was followed by above average conditions. In February 2024, CVP initial allocations were at 15 percent for agricultural uses and 65 percent for municipal and industrial (M&I) uses. In April, the United States Bureau of Reclamation (USBR) increased allocation to 40 percent. Finally in June, USBR announced the CVP 2024 water supply allocations were 50 percent for agricultural uses and 75 percent for M&I uses (ACWA 2024).

Table 1 shows that WY 2024 M&I and agricultural groundwater pumping was the lowest in the past six years, due to the increased use of imported water in both sectors. It should be noted that Table 1 relies on the power meters monitoring agricultural pumping and the Annual Report will use the numerical model simulated pumping.

Table 1. Groundwater Production in Zone 6 by Water Year, acre-feet per year

	WY 2019	WY 2020	WY 2021	WY 2022	WY 2023	WY 2024
Agriculture*	15,423	17,021	22,614	23,945	13,147	13,132
Municipal & Industrial	2,660	3,514	6,067	5,840	4,769	2,321
* based on power meters in Zone 6						

While WY 2024 was an above average year hydrologically, the lasting effects of the multiple year drought can still be seen in North San Benito Basin. Groundwater levels and storage reserves have shown an increase over the past years but remain at or below historical highs. However, the District continues to manage the Basin to maintain water levels above the quantitative minimum thresholds that are protective of beneficial uses of groundwater (Todd 2021).

2. WATER SUPPLIES AND MANAGEMENT ACTIVITIES

As described in the previous SGMA Annual Reports and pre-SGMA Annual Groundwater Reports, water supply sources available in Zone 6 include local groundwater, imported CVP water, recycled water, and local surface water.

The District contract with USBR provides up to 35,550 acre-feet per year (AFY) of imported water for agricultural use and 8,250 AFY for M&I use. As noted above, CVP allocations were

[1] Water year 2024 was the 12-month period from October 1, 2023 through September 30, 2024.

increased to 50 percent and 75 percent for agricultural and M&I uses, respectively, in WY 2024. However, because both treatment plants were operational, the overall delivery of CVP to users in Zone 6 was higher than the previous three years due to previous drought and infrastructure issues. **Figure 1** shows the delivered CVP water by user type over the last 20 years.

Figure 1. CVP Deliveries by User Type (WY 2004- WY 2024)



CVP and the other non-groundwater water sources are used conjunctively with local groundwater. The District has consistently worked to maintain groundwater storage in the Basin to serve as an important water source in dry years when CVP and other sources are restricted. District groundwater management projects (also described in GSP Chapter 8, Todd 2021) are focused on increasing water importation, local water storage, managed aquifer recharge, and water recycling, all of which maintain and increase local groundwater storage.

Ongoing management actions include groundwater level, quality, and water use monitoring, data compilation and analysis, numerical modeling, water conservation, water quality improvement programs, stakeholder outreach, reporting, and administrative activities among others that contribute to long-term sustainability.

3. RECOMMENDATIONS

The following recommendations are responsive to the District Act:

- Continue to purchase and supply all imported CVP water available under the District's contract and any additional supplies that can reasonably be attained.
- Continue to operate Hernandez and Paicines reservoirs for percolation to improve downstream groundwater conditions.
- Continue off-channel percolation of CVP water as available and expand percolation capabilities.
- Levy a groundwater charge in Zone 6 as substantiated and recommended in the 2024 Annual Groundwater Report. The groundwater charge for the USBR contract year (March 2025-February 2026) is recommended to be $14.31 per acre-foot (AF) for agricultural use in Zone 6 and a groundwater charge of $14.31 per AF is recommended for M&I use.

4. REFERENCES

Association of California Agencies, 2023, Bureau of Reclamation Bolsters CVP Water Supply Allocations, https://www.acwa.com/news/bureau-of-reclamation-bolsters-cvp-water-supply-allocations/, April 23, 2023.

Todd Groundwater (Todd),2024, 2023, 2022, 2021 Annual Groundwater Report, March.

Todd Groundwater (Todd), 2021, North San Benito Groundwater Sustainability Plan, November.

APPENDIX B CLIMATE DATA

List of Tables and Figures

Table B-1. Monthly Precipitation at the SBCWD CIMIS Station (inches)

Table B-2. Reference Evapotranspiration at the SBCWD CIMIS Station (inches)

Table B-1. Monthly Precipitation at the SBCWD CIMIS Station (inches)

Water Year	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL	% Normal
1996	0.12	0.01	2.21	4.38	4.52	1.56	1.33	1.32	0.00	0.01	0.00	0.00	15.46	118%
1997	0.96	3.16	4.26	6.84	0.21	0.09	0.19	0.02	0.10	0.00	0.00	0.03	15.86	121%
1998	0.16	3.78	2.59	4.94	9.06	2.70	2.31	2.40	0.09	0.02	0.00	0.08	28.13	215%
1999	0.54	1.93	0.79	2.54	2.49	1.52	0.67	0.06	0.07	0.00	0.00	0.00	10.61	81%
2000	0.14	0.98	0.11	4.05	4.53	0.68	0.40	0.45	0.10	0.00	0.00	0.02	11.46	88%
2001	3.54	0.80	0.23	2.86	2.77	0.62	2.20	0.01	0.01	0.03	0.02	0.00	13.09	100%
2002	0.70	11.48	11.93	0.66	1.15	1.57	0.37	0.28	0.00	0.00	0.00	0.00	28.14	215%
2003	0.00	1.67	5.04	0.77	1.41	1.06	3.05	0.06	0.00	0.00	0.06	0.00	13.12	100%
2004	0.20	0.60	5.25	1.31	4.21	0.59	0.27	0.08	0.01	0.00	0.00	0.01	12.53	96%
2005	1.95	0.54	3.46	2.49	2.89	3.42	0.83	0.64	0.43	0.00	0.00	0.04	16.69	128%
2006	0.07	0.27	3.08	1.49	1.01	4.96	1.73	0.39	0.01	0.00	0.02	0.01	13.04	100%
2007	0.20	0.73	1.69	0.57	2.22	0.29	0.55	0.02	0.00	0.02	0.00	0.43	6.72	51%
2008	0.71	0.67	0.92	4.56	2.06	0.09	0.06	0.00	0.00	0.00	0.00	0.00	9.07	69%
2009	0.28	1.05	1.89	0.35	3.73	1.83	0.20	0.47	0.00	0.00	0.00	0.15	9.95	76%
2010	0.50	0.02	1.31	2.29	2.19	1.74	3.44	0.61	0.00	0.01	0.00	0.00	12.11	93%
2011	0.72	1.85	2.59	1.57	2.63	2.33	0.19	0.78	0.30	0.00	0.00	0.00	12.96	99%
2012	0.69	0.96	0.07	0.81	0.46	2.34	1.39	0.26	0.09	0.00	0.00	0.00	7.07	54%
2013	0.01	2.23	1.15	1.35	0.64	0.46	0.30	0.02	0.01	0.00	0.03	0.10	6.30	48%
2014	0.07	0.37	0.17	0.22	1.91	1.59	0.86	0.02	0.00	0.00	0.00	0.14	5.35	41%
2015	1.57	0.48	5.78	0.02	1.20	0.22	0.24	0.87	0.00	0.01	0.09	0.08	10.56	81%
2016	0.22	3.65	1.58	3.98	0.57	3.72	0.79	0.05	0.08	0.08	0.06	0.10	14.88	114%
2017	1.77	2.48	3.33	4.66	6.05	1.70	1.09	0.50	0.32	0.00	0.02	0.00	21.92	168%
2018	0.20	1.12	0.19	2.39	0.29	2.74	1.33	0.00	0.00	0.00	0.00	0.00	8.26	63%
2019	0.17	2.52	1.48	2.24	4.02	2.55	0.25	1.95	0.20	0.00	0.00	0.00	15.38	118%
2020	0.00	1.40	3.69	1.39	0.00	2.78	1.18	0.42	0.24	0.13	0.02	0.00	11.25	85%
2021	0.00	0.42	0.77	3.82	0.28	1.28	0.01	0.00	0.00	0.00	0.00	0.00	6.58	50%
2022	2.16	0.41	5.09	0.09	0.10	0.64	0.74	0.02	0.13	0.00	0.00	0.00	9.38	72%
2023	0.00	2.06	6.17	4.09	2.33	5.03	0.01	0.59	0.08	0.00	0.00	0.00	20.36	156%
2024	0.09	0.52	2.93	3.02	4.29	2.93	1.39	0.33	0.00	0.00	0.00	0.00	15.50	119%
AVG	0.63	1.70	2.74	2.38	2.32	1.79	0.93	0.44	0.08	0.01	0.01	0.04	13.08	100%

Note: The average precipitation is based on the period of record (1875-2018).
-The CIMIS value for September 2017 (2.4") includes measurement error due to irrigation overspray. The corrected District value is 0".
-The CIMIS value for February, May, June, and August 2018 (0.8", 2.6", 0.1", 0.03") includes measurement error due to irrigation overspray. The corrected District value is 0.3" for February and 0" for all other months.
-The CIMIS value for October and November 2018 included measurement error due to irrigation overspray. The corrected District value is 0.17" for October and 2.52" for November (WRCC Hollister2 Station)

Table B-2. Reference Evapotranspiration at the SBCWD CIMIS Station (inches)

Water Year	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL	% Normal
1996	3.88	2.24	1.22	1.48	1.88	3.67	5.10	6.06	6.73	7.39	6.68	4.71	51.04	103%
1997	3.84	1.84	1.37	1.38	2.48	4.27	5.84	7.51	7.13	7.18	6.71	5.67	55.22	111%
1998	3.85	1.84	1.52	1.29	1.38	2.82	4.26	4.53	5.27	6.91	6.83	4.72	45.22	91%
1999	3.51	1.73	1.52	1.54	1.84	3.01	4.72	5.80	6.66	6.92	5.91	4.67	47.83	96%
2000	4.00	1.98	1.89	1.22	1.62	3.69	5.14	6.04	6.73	6.74	6.19	4.74	49.98	101%
2001	2.91	1.71	1.47	1.47	1.81	3.07	3.90	6.15	6.54	6.02	6.23	4.75	46.03	93%
2002	3.51	1.91	1.24	1.53	2.26	3.66	4.21	6.37	7.05	7.24	6.14	5.39	50.51	102%
2003	3.57	1.94	1.25	1.56	1.80	3.87	3.79	6.00	6.47	7.29	6.15	5.07	48.76	98%
2004	4.11	1.73	1.24	1.32	1.72	3.98	5.19	6.38	6.71	6.63	5.98	5.32	50.31	101%
2005	3.08	1.69	1.44	1.30	1.69	2.95	4.38	5.74	6.36	6.86	6.13	4.55	46.17	93%
2006	3.59	2.00	1.19	1.43	2.18	2.43	3.00	5.49	6.41	7.02	5.60	4.38	44.72	90%
2007	3.28	1.69	1.37	1.77	1.77	4.11	4.76	6.29	6.89	6.79	6.46	4.65	49.83	100%
2008	3.48	2.21	1.44	1.25	2.03	3.76	5.17	5.97	6.88	6.74	6.31	5.00	50.24	101%
2009	3.82	1.87	1.36	1.70	1.72	3.51	4.83	5.53	6.31	7.08	6.31	5.30	49.34	99%
2010	3.45	2.21	1.71	1.26	1.80	3.49	3.87	5.37	6.71	6.29	5.88	4.98	47.02	95%
2011	3.02	1.86	1.05	1.59	2.05	2.71	4.43	5.34	5.99	6.56	5.74	4.64	44.98	91%
2012	3.27	1.89	1.83	1.84	2.46	3.34	4.39	6.39	6.81	6.63	6.00	4.60	49.45	100%
2013	3.25	1.82	1.16	1.50	2.10	3.71	5.39	6.26	6.36	6.46	5.98	4.83	48.82	98%
2014	3.51	2.02	1.80	2.08	1.85	3.58	4.89	6.83	6.61	6.43	6.02	4.74	50.36	101%
2015	3.90	1.86	1.45	1.80	2.16	4.13	5.12	5.01	6.41	6.52	6.49	5.34	50.19	101%
2016	4.11	2.05	1.39	1.32	2.72	3.40	4.65	5.71	7.54	7.22	5.74	5.15	51.00	103%
2017	3.40	2.11	1.47	1.55	1.76	3.73	4.45	6.29	6.82	7.62	6.03	5.16	50.39	101%
2018	4.15	1.93	1.98	1.57	2.66	3.25	4.81	5.83	7.29	7.65	6.60	5.15	52.87	106%
2019	3.85	2.20	1.54	1.58	1.91	3.42	4.81	5.17	6.68	7.15	6.54	5.36	50.21	101%
2020	4.24	2.31	1.37	1.60	2.78	3.15	4.54	6.53	7.17	6.96	6.23	4.78	51.66	104%
2021	4.16	2.24	1.82	1.79	2.45	3.79	5.27	6.54	7.09	7.15	6.18	5.27	53.75	108%
2022	3.66	2.23	1.21	1.78	2.73	4.02	5.36	6.91	7.73	7.30	6.45	5.42	54.80	110%
2023	3.63	2.11	1.17	1.61	2.05	2.94	5.02	5.08	5.68	7.52	6.19	4.55	47.55	96%
2024	3.94	2.39	1.52	1.39	2.09	3.41	4.58	6.00	7.02	7.55	6.74	5.13	51.76	104%
AVG	3.65	1.99	1.45	1.53	2.06	3.48	4.69	5.97	6.69	6.96	6.22	4.97	49.66	100%

Note: The averages are for the available period of record, 1995 for reference evapotranspiration.

APPENDIX C GROUNDWATER DATA

List of Tables and Figures

Table C-1. Groundwater Elevations October 2023 through 2024

Figure C-1. Groundwater Basins in San Benito County

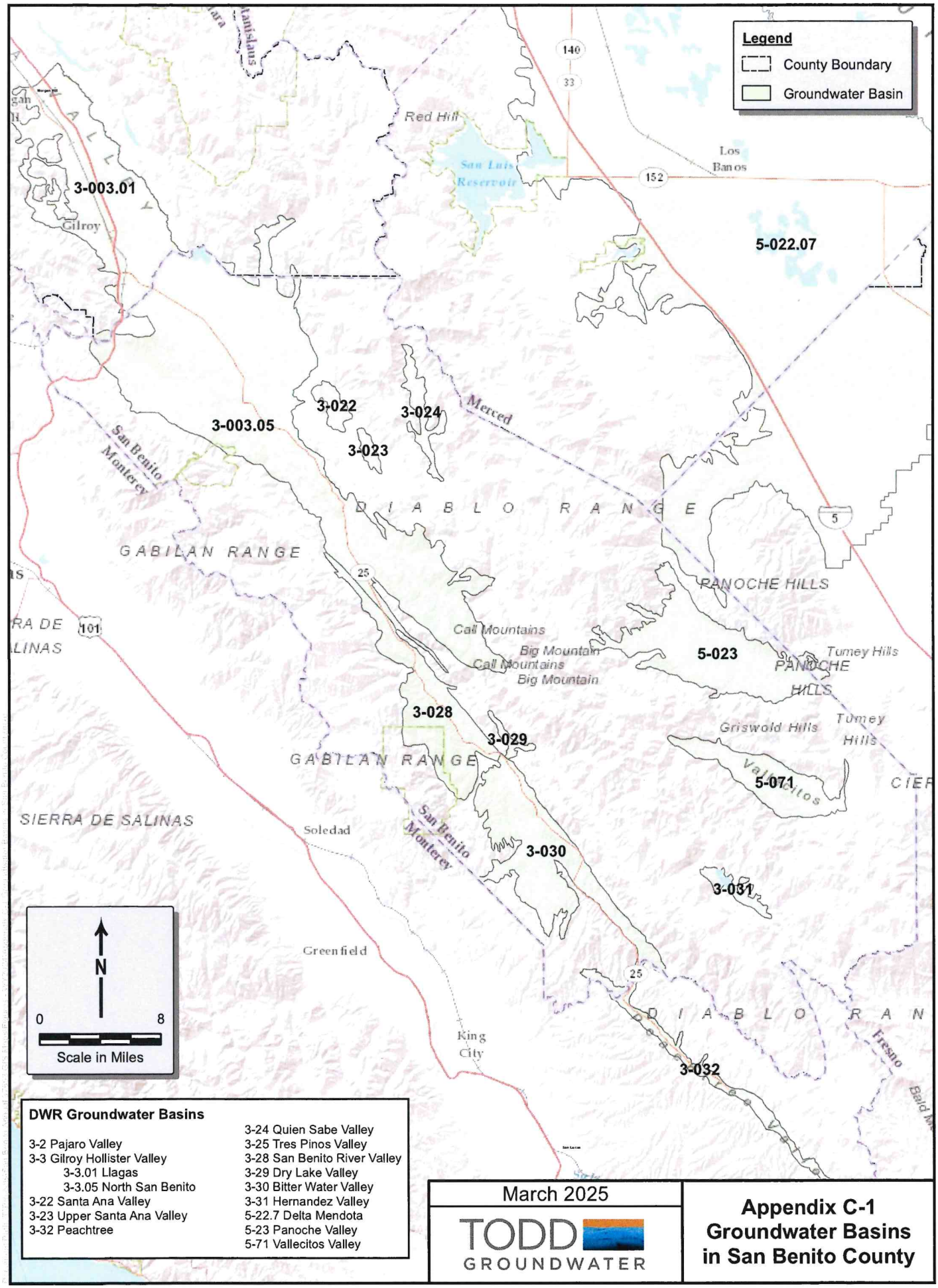
Figure C-2. Monitoring Locations

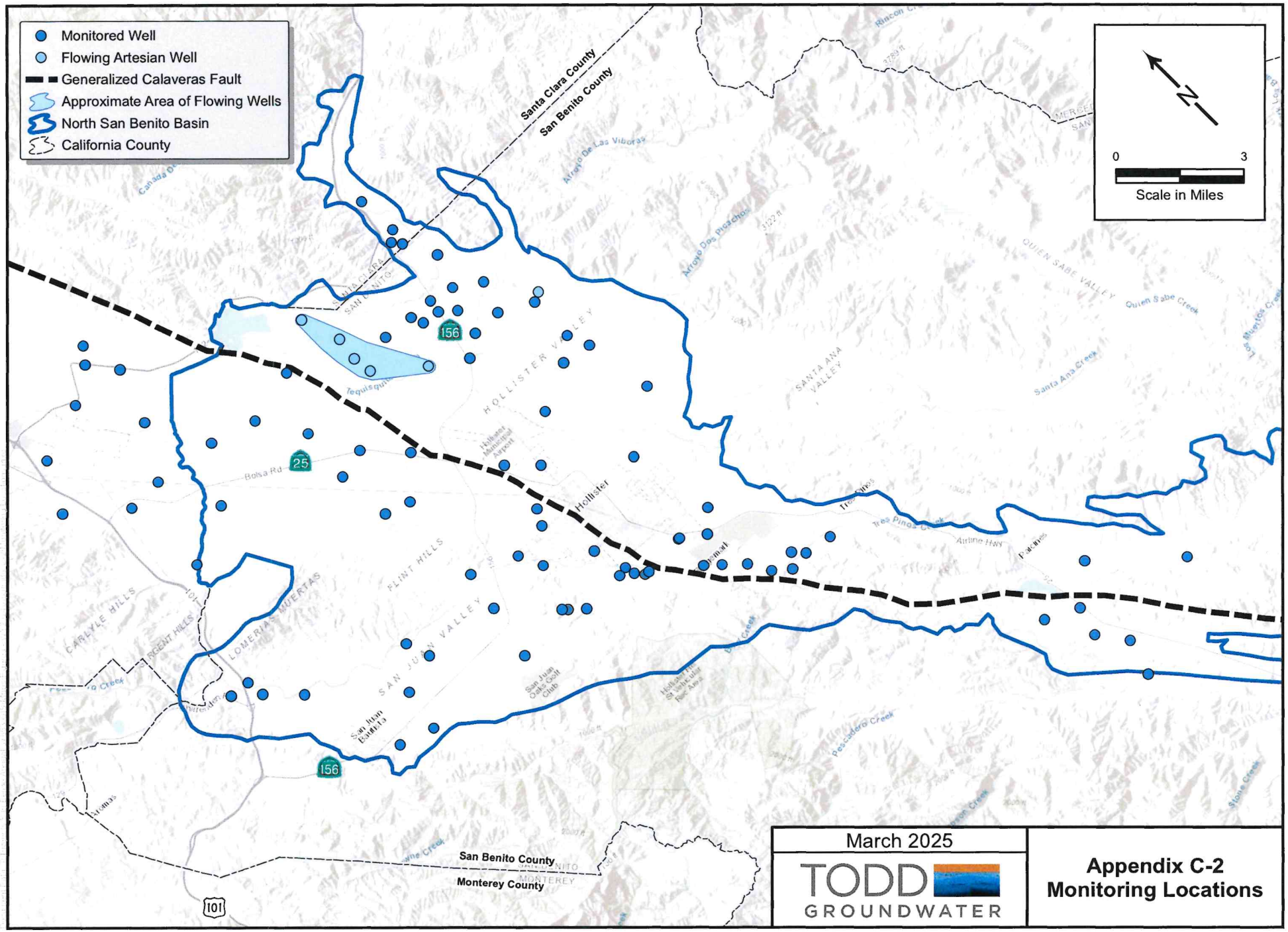
Table C-1. Groundwater Elevations October 2023 through October 2024

Local SWN	Ground	Well Depth	Depth to Top	MA	Oct 23	Jan Elev	Apr Elev	Jul Elev	Oct 24	Subbasin
Southern Management Area										
14-6-13B1	696.0	0	0	Southern	648.4	650.0	646.2	641.2	643.6	TPCV
14-6-14Q0	694.0	0	0	Southern	638.3		635.7		636.1	Paicines
14-6-26F0	692.0	0	0	Southern	643.7		641.3		645.1	Paicines
14-6-26H1	682.0	0	0	Southern	640.2	625.0	643.1		638.5	Paicines
14-6-26K1	668.0	0	0	Southern	642.5		637.1		638.4	Paicines
14-6-35B1	707.0	0	0	Southern	658.4		657.5		654.4	Paicines
14-6-36D0	737.0	0	0	Southern	656.9		664.3		654.4	Paicines
14-7-19G0	753.0	0	0	Southern	714.0		710.4		707.1	TPCV
14-7-20K1	766.0	0	0	Southern	721.3	720.5	721.3	719.5	723.3	TPCV
Bolado Park #1	506.3	0	0	Southern	493.7		495.7		498.1	
Bolado Park #2	520.1	0	0	Southern	501.6		505.2		506.1	
MW DW5	669.5	0	0	Southern	629.7	630.4	623.9	627.3	629.2	
MW DW6	769.5	0	0	Southern	751.6	752.0	752.5	753.6	754.0	
MW SW4	538.5	0	0	Southern	509.6		514.2	515.5	518.0	
MW SW5	621.5	0	0	Southern	614.2		611.8	607.1	605.8	
Panoche Solar Farm	688.9	0	0	Southern	650.3		653.9		663.8	
Swett 1	663.0	0	0	Southern	629.5		631.6		634.3	
Swett 2	668.6	0	0	Southern	627.9		630.3		631.7	
Swett2 1	710.8	0	0	Southern	652.2		660.2		667.1	
Swett2 2	710.4	0	0	Southern	647.2		655.8		663.1	
San Juan Management Area										
12-4-17L20	140.0	0	0	San Juan	122.1	123.8	125.7	122.6		SJ
12-4-18J1	150.0	0	0	San Juan	122.2		126.1		122.0	SJ
12-4-21M1	170.0	250	0	San Juan	143.3		145.8		141.5	SJ
12-4-34H1	199.0	387	120	San Juan	151.7		158.7		156.1	SJ
12-4-35A1	216.0	325	110	San Juan	172.8		180.0			SJ
12-5-28N1	253.7	408	168	San Juan	221.9		227.3		224.7	SJ
12-5-30H1	250.0	240	0	San Juan	207.1		210.6		207.5	SJ
12-5-31H1	248.0	0	0	San Juan	187.2					SJ
13-4-3H1	207.0	312	168	San Juan	149.0	148.5	168.8	157.2	150.3	SJ
13-4-4A3	210.0	195	48	San Juan	198.3		199.1		194.8	SJ
13-5-6L1	241.5	0	0	San Juan	147.5	144.2	159.2	127.5	114.1	SJ
775 Flint Rd	216.3	0	0	San Juan	179.9					SJ
Alameda 1 (Top Flavor)	228.1	0	0	San Juan	156.7		143.1		128.1	SJ
Alameda 2	208.8	0	0	San Juan	146.4		149.4		157.6	SJ
Barker Farms 1	187.1	0	0	San Juan	123.7		140.8		152.2	SJ
Barker Farms 2	187.7	0	0	San Juan	120.3		139.8		154.3	SJ
Barker Farms 3	185.8	0	0	San Juan	117.1					SJ
Barker Farms 4	181.2	0	0	San Juan	169.7		157.7			SJ
Dobler	238.7	0	0	San Juan	130.0		126.0		132.4	SJ
MW SW3	181.6	0	0	San Juan	167.9		169.1	168.6	168.7	SJ
Bolsa Management Area										
11-4-25H2	148.0	631	216	Bolsa	91.6	113.1	105.6	100.1	96.0	B
11-4-26B1	143.0	642	149	Bolsa	128.7		135.0	137.3	132.8	B
11-4-34A1	142.0	100	0	Bolsa	136.0		135.7	132.8	136.8	B
11-5-20N1	150.0	300	0	Bolsa	71.9		90.1	92.0	86.6	B
11-5-27P2	185.0	331	67	Bolsa	172.5		167.6	166.7	167.6	B
11-5-28B1	168.0	198	125	Bolsa	168.0	168.0	168.0	168.0	168.0	B
11-5-31F1	159.0	515	312	Bolsa	80.6		94.7		88.8	B
12-5-17D1	217.0	950	314	Bolsa	63.5	65.8	76.3	63.2	67.0	B
12-5-5G1	175.0	500	150	Bolsa	107.5		119.6		111.3	B
12-5-5M1	175.0	0	0	Bolsa	57.6		75.5		67.0	B
12-5-6L1	177.0	0	0	Bolsa	150.9	151.2	153.1	150.6	148.2	B
12-5-7P1	204.0	750	360	Bolsa	46.0		57.0		57.0	B
MW DW1	202.5			Bolsa	91.0	92.1	93.0	91.8	90.5	B
MW SW2	176.5			Bolsa	159.1		160.3	158.9	158.4	B

Table C-1. Groundwater Elevations October 2023 through October 2024

Llagas - SCVWD										
11-4-10D4	171.8	0	0	Llagas	145.7	157.9	165.2	139.7	140.3	SCVWD
11-4-17N4	183.6	0	0	Llagas	154.0	164.3	167.2	153.7	153.5	SCVWD
11-4-21P3	156.7	0	0	Llagas	140.9	149.5	148.4		144.4	SCVWD
11-4-22N1	154.1	0	0	Llagas	135.5	146.6	144.4	125.2	134.8	SCVWD
11-4-2D8	232.9	0	0	Llagas	152.2	166.7	161.2	133.9	142.4	SCVWD
11-4-2N1	174.9	0	0	Llagas	146.6	158.4	160.0		141.7	SCVWD
11-4-32R2	144.6	0	0	Llagas	128.9	138.4	137.1	122.1	128.9	SCVWD
11-4-3J2	198.8	0	0	Llagas	149.7	165.1	159.0	127.3	146.4	SCVWD
11-4-8K2	181.8	0	0	Llagas	154.9	163.9	166.3		154.2	SCVWD
Hollister Management Area										
11-5-12E1	277.0	103	52	Hollister			240.1		237.5	PC
11-5-13D1	258.0	125	0	Hollister	231.0	229.9	233.2	229.3	232.8	PC
11-5-24C2	249.0	165	70	Hollister	225.4		228.8		226.0	PC
11-5-24L1	234.0	70	0	Hollister	208.8		212.0		210.0	PC
11-5-25G1	244.3	225	0	Hollister			211.7		209.0	PC
11-5-26N2	198.0	232	95	Hollister	174.3		180.5		171.9	P
11-5-26R3	208.0	225	65	Hollister	181.6		183.9		179.5	P
11-5-35C1	198.0	180	0	Hollister	176.7		178.3		177.2	P
11-5-35G1	206.0	230	0	Hollister	187.4	184.6		182.2	184.2	P
11-5-35Q3	203.0	0	0	Hollister			179.1		172.3	P
11-5-36C1	223.0	98	0	Hollister	196.8		201.7		198.1	P
11-5-36M1	223.0	0	0	Hollister			187.2		183.3	P
11-6-31M2	284.0	188	155	Hollister			253.4		234.5	P
12-5-13H1	250.0	0	0	Hollister	233.2		237.7		231.2	HE
12-5-1G2	215.0	300	0	Hollister	183.4		185.1		184.2	P
12-5-22C1	236.0	237	102	Hollister	176.4		182.4		174.2	HE
12-5-22J2	250.0	355	120	Hollister	197.0		198.4		193.6	HE
12-5-23A20	239.0	862	178	Hollister	184.5		187.0		180.5	HE
12-5-27E1	270.0	175	0	Hollister	199.5		203.7		211.1	HW
12-5-28J1	276.0	220	0	Hollister	217.3		221.8		223.2	HW
12-5-2H5	210.0	128	42	Hollister	190.8		192.0		188.7	P
12-5-2L2	202.0	170	0	Hollister			197.0		197.1	P
12-5-33E2	266.0	121	81	Hollister	223.6		226.2		224.7	HW
12-5-34P1	294.0	195	153	Hollister	226.5	229.0	229.9	229.0	229.2	HW
12-5-36B20	315.0	500	430	Hollister	200.0		197.6		195.8	HE
12-5-3B1	182.0	128	100	Hollister	182.0				182.0	P
12-6-18G1	303.0	198	70	Hollister			268.7		264.9	HE
12-6-30E1	375.0	0	0	Hollister	350.5		348.6		345.0	HE
12-6-6L4	248.0	235	50	Hollister	220.5	221.7	221.2	217.7	219.2	P
12-6-7P1	266.0	147	0	Hollister	246.4		248.4		244.5	HE
13-5-10B1	305.0	0	0	Hollister	221.3		224.8		222.6	HW
13-5-11E1	309.0	0	0	Hollister	281.2		286.0	283.1	284.1	HW
13-5-11Q1	324.0	178	61	Hollister	266.2		279.0		283.5	TP
13-5-12D3	360.0	0	0	Hollister						TPCV
13-5-12D3	360.0	500	200	Hollister			303.0		286.0	TP
13-5-12D4	360.0	0	0	Hollister			256.0		193.0	TP
13-5-12K1	440.0	0	0	Hollister			326.0		322.0	TP
13-5-12N20	332.0	352	301	Hollister			320.8		317.2	TP
13-5-13F1	348.0	134	30	Hollister	330.5		331.5	327.6	329.5	TP
13-5-13H1	400.0	252	112	Hollister	341.5		345.6		341.4	TP
13-5-13J2	375.0	180	0	Hollister	340.2		347.9		342.5	TP
13-5-13Q1	360.0	185	44	Hollister	334.1		336.5		332.6	TP
13-5-3L1	303.0	126	0	Hollister	233.0		236.0		235.0	HW
13-5-4B	285.0	0	0	Hollister					236.4	HW
13-5-4P1	318.0	0	0	Hollister	277.0		277.9		276.3	HW
13-5-5F0	320.0	0	0	Hollister	289.4		291.4		216.3	TPCV
13-5-5J0	338.0	0	0	Hollister	240.1		238.3		307.5	HW
13-6-19L0	460.0	0	0	Hollister	309.9		312.7		307.4	TPCV
13-6-19L1	460.0	0	0	Hollister	324.5		326.5		322.2	TPCV
13-6-20K1	440.0	0	0	Hollister	411.8		418.6		418.0	TP
13-6-7D2	500.0	0	0	Hollister	338.1		338.9		337.0	HE
Alameda 3	269.7	0	0	Hollister	149.8		156.2		162.7	
Cienega 1	320.1	0	0	Hollister	292.5		292.8		297.4	
MW DW3	270.3	0	0	Hollister	175.7	176.0	176.2	179.5	181.5	
MW DW4	294.0	0	0	Hollister	235.2	235.6	243.7	237.3	235.7	
MW SW6	318.4	0	0	Hollister	308.0		307.5	306.2	309.3	
San Benito Foods #2	295.7	0	0	Hollister	239.7		240.9		247.9	


Legend
County Boundary
Groundwater Basin
3-003.01
Gilroy
Red Hill
San Luis Reservoir
Los Banos
5-022.07
3-003.05
3-022
3-024
3-023
Merced
San Benito
Monterey
DIABLO RANGE
GABILAN RANGE
PANOCHE HILLS
Call Mountains
Big Mountain
5-023
Tumey Hills
3-028
3-029
Griswold Hills
5-071
SIERRA DE SALINAS
Soledad
3-030
3-031
Greenfield
King City
3-032
Fresno
N
0
8
Scale in Miles
DWR Groundwater Basins
3-2 Pajaro Valley
3-3 Gilroy Hollister Valley
3-3.01 Llagas
3-3.05 North San Benito
3-22 Santa Ana Valley
3-23 Upper Santa Ana Valley
3-32 Peachtree
3-24 Quien Sabe Valley
3-25 Tres Pinos Valley
3-28 San Benito River Valley
3-29 Dry Lake Valley
3-30 Bitter Water Valley
3-31 Hernandez Valley
5-22.7 Delta Mendota
5-23 Panoche Valley
5-71 Vallecitos Valley
March 2025
TODD GROUNDWATER
Appendix C-1
Groundwater Basins
in San Benito County


Monitored Well
Flowing Artesian Well
Generalized Calaveras Fault
Approximate Area of Flowing Wells
North San Benito Basin
California County
Santa Clara County
San Benito County
N
0
3
Scale in Miles
HOLLISTER VALLEY
SAN JUAN VALLEY
SANTA ANA VALLEY
QUIEN SABE VALLEY
FLINT HILLS
CARLYLE HILLS
LOMERIA HUERTAS
Hollister
Bolsa Rd
Airline Hwy
Tequisquite Creek
Santa Ana Creek
Quien Sabe Creek
Pescadero Creek
San Juan Bautista
San Benito County
Monterey County
156
25
101
March 2025
TODD GROUNDWATER
Appendix C-2
Monitoring Locations

APPENDIX D PERCOLATION DATA

List of Tables and Figures

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Table D-2. Historical Reservoir Releases (AFY)

Table D-3. Historical Percolation of CVP Water (AFY)

Table D-4. Percolation of Municipal Wastewater during Water Year 2024

Table D-5. Historical Percolation of Municipal Wastewater (AFY)

Figure D-1. Reservoir Releases for Percolation

Table D-1. Reservoir Water Budgets for Water Year 2024 (acre-feet)

	Hernandez	Paicines	San Justo	
Observed Storage				
Starting Storage (Oct 2023)	3,107	2,055	6,191	
Ending Storage (Sept 2024)	496	630	5,059	
Inflows				
Rainfall	274	176	242	
San Benito River	28,204	2,016	n.a.	
Hernandez-Paicines transfer	n.a.	2,385	n.a.	
San Felipe Project*	n.a.	n.a.	15,679	*
Total Inflows	**28,478**	**4,578**	**15,921**	
Outflows				
Hernandez spills	0	n.a.	n.a.	
Hernandez-Paicines transfer	323	n.a.	n.a.	
Tres Pinos Creek percolation releases	n.a.	3,012	n.a.	
San Benito River percolation releases	32,540	0	n.a.	
CVP Deliveries*	n.a.	n.a.	14,833	*
Evaporation and seepage (less interceptor wells)	685	2,415	1,413	
Total Outflows	**33,547**	**5,427**	**16,247**	
Change in Storage				
Observed storage change (Ending - Starting)	**-2,611**	**-1,425**	**-1,132**	
Calculated net storage change (Inflow - Outflows)	**-5,069**	**-849**	**-325**	
Unaccounted for Water (Observed - Calculated)**	**2,458**	**-576**	**-807**	
Reservoir Information				
Reservoir capacity	17,200	2,870	11,000	
Maximum storage	12,572	2,580	10,308	
Minimum storage	558	250	4,573	

* Reflects imported water for beneficial use, not all stored in reservoir

** Negative value is water shortage, positive value is water surplus

Table D-2. Historical Reservoir Releases (AFY)

WY	Hernandez	Paicines	TOTAL
1996	13,535	6,139	19,674
1997	3,573	2,269	5,842
1998	26,302	450	26,752
1999	12,084	1,293	13,377
2000	13,246	2,326	15,572
2001	12,919	3,583	16,502
2002	9,698	310	10,008
2003	5,434	0	5,434
2004	3,336	0	3,336
2005	19,914	677	20,591
2006	14,112	196	14,308
2007	12,022	1,254	13,276
2008	7,646	495	8,141
2009	4,883	0	4,883
2010	8,484	4,147	12,631
2011	9,757	2,397	12,154
2012	6,341	1,321	7,662
2013	3,963	677	4,640
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	23,191	2,407	25,597
2018	6,054	384	6,438
2019	15,924	2,045	17,969
2020	9,473	2,037	11,510
2021	7,480	504	7,984
2022	3,279	210	3,489
2023	17,451	2,199	19,650
2024*	32,450	3,012	35,462
AVG	**10,433**	**1,391**	**11,824**

*Releases were not optimized to recharge the aquifer as the valve was broken. Some recharge may have left the basin

Table D-3. Historical Percolation of CVP Water (AFY)

Water Year[1]	Pacheco Creek	Arroyo de las Viboras			Arroyo Dos Picachos			Santa Ana Creek				Tres Pinos Creek (and Pond)	San Benito River		Total
		Road	Creek 1 (Frog Ponds)	Creek 2	Fallon Road	Jarvis Lane	Creek	John Smith Road	Maranatha Road	Airline Highway	Ridgemark		Union Road Pond	Hollister Ponds	
1994	232	136	515	0	0	550	209	0	0	0	0	85	158	0	1,885
1995	444	238	770	2	0	654	622	73	0	0	0	809	2,734	0	6,345
1996	0	494	989	832	67	235	708	531	197	134	25	21	6,097	0	10,330
1997	0	447	601	1,981	77	0	200	17	353	286	29	1,477	5,619	0	11,087
1998	0	132	109	403	0	0	0	65	0	158	74	518	1,084	0	2,543
1999	0	0	0	0	0	0	4	256	48	141	10	452	413	0	1,322
2000	1	0	0	6	0	0	3	236	21	240	12	285	938	0	1,740
2001	0	0	0	0	0	0	0	161	17	186	1	703	1,041	0	2,110
2002	0	0	0	2	0	0	1	78	2	143	0	426	470	0	1,122
2003	0	0	0	0	0	0	5	119	9	172	0	163	605	0	1,074
2004	0	0	0	0	0	0	52	83	0	0	0	1	882	0	1,018
2005	0	0	0	0	0	0	0	0	0	0	0	0	527	0	527
2006	0	0	0	0	0	0	7	156	0	0	0	1	451	0	614
2007	0	0	0	0	0	0	0	0	0	0	0	88	216	0	304
2008	0	0	0	0	0	0	0	0	0	0	0	0	6	0	6
2009	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	0	0	340	0	0	0	0	0	0	0	0	0	2,209	0	2,549
2018	0	0	199	0	0	0	0	0	0	0	0	867	1,899	0	2,965
2019	0	0	335	0	0	0	0	0	0	0	0	1,775	2,932	0	5,043
2020	0	0	134	0	0	0	0	0	0	0	0	780	1,499	747	3,161
2021	0	0	2	0	0	0	0	0	0	0	0	2	3	20	28
2022	0	0	0	0	0	0	0	0	0	0	0	2	0	0	2
2023	0	0	536	0	0	0	0	0	0	40	1	1,060	328	0	1,966
2024	0	0	41	1	0	0	0	0	0	0	0	91	5	0	137

1. 2017-2022 percolation occurred only to recharge basins adjacent to the listed streams.

Table D-4. Percolation of Municipal Wastewater during Water Year 2024

	Pond Area[1] (acres)	Effluent Discharge (acre-feet)	Evaporation[2] (acre-feet)	Percolation (acre-feet)
Hollister - domestic	93	2,975	266	2,709
Hollister - industrial	39	0	0	0
Ridgemark Estates I & II	7	183	21	163
Tres Pinos	2	21	5	16
Total	141	3,180	292	2,888

Notes:

1. Hollister pond areas are from Dickson and Kenneth D. Schmidt and Associates (1999) and include treatment ponds in addition to percolation ponds at the domestic wastewater treatment plant. Assumes 80% of total pond area in use at any time (Rose, pers. comm.). These areas should be updated as operations change.

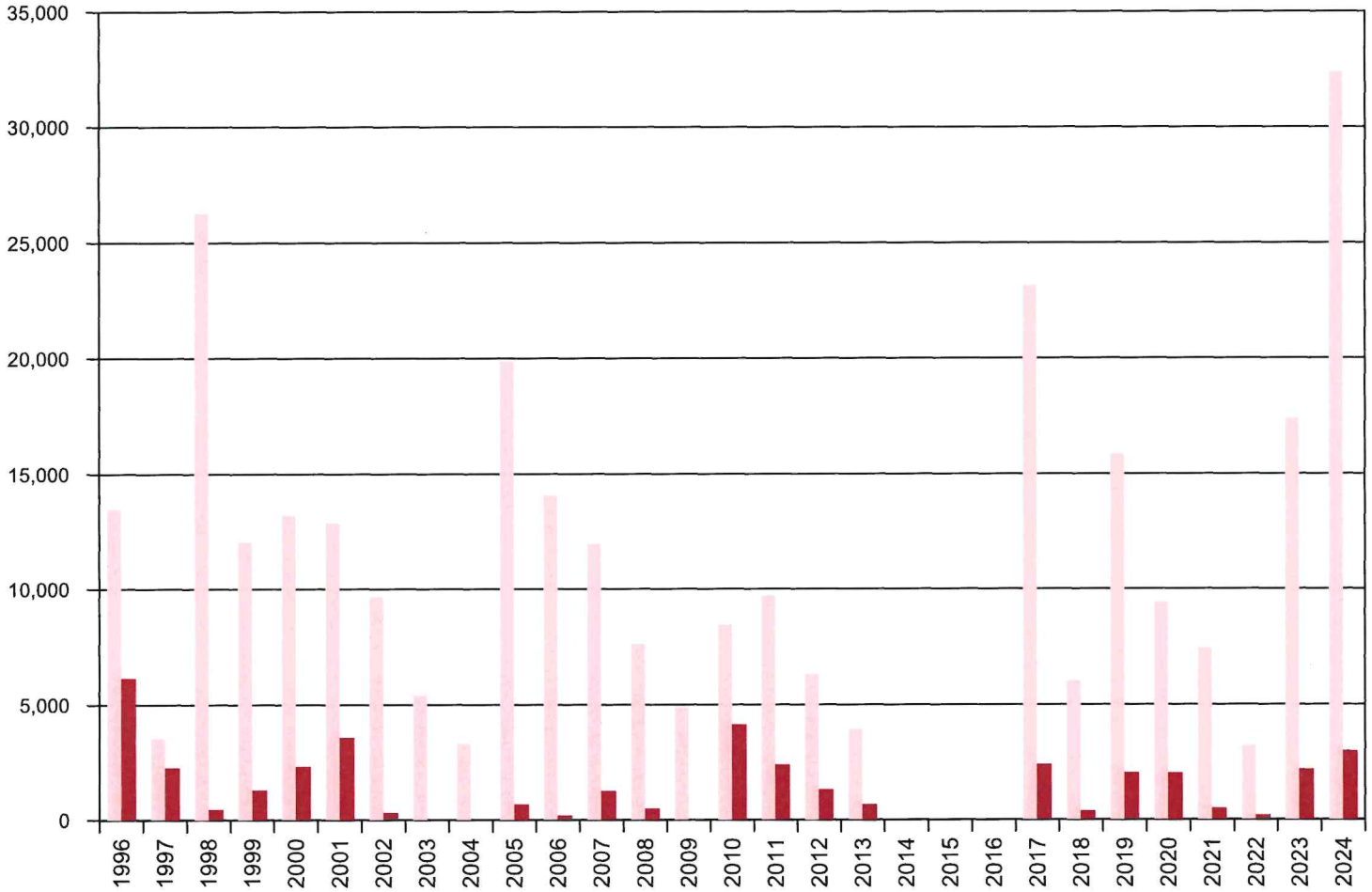
2. Average evaporation less precip = 43 inches (56 in/yr evaporation (DWR Bulletin 73-79) less 13 in/yr precip (CIMIS) The IWTP evaporation was adjusted to account only for when the ponds are in use.

The San Juan Bautista plant is not included because the unnamed tributary of San Juan Creek that receives its effluent usually gains flow along the affected reach and is on the southwest side of the San Andreas Fault. These conditions prevent the effluent from recharging the basin.

Table D-5. Historical Percolation of Municipal Wastewater (AFY)

	Hollister Reclamation Plant - Domestic	Hollister - industrial wastewater and stormwater	Ridgemark Estates I & II	Tres Pinos	TOTAL
1994	1,775	665	155	5	2,600
1995	1,935	610	180	10	2,735
1996	2,020	689	207	14	2,930
1997	1,965	909	201	17	3,092
1998	2,490	518	231	17	3,256
1999	1,693	1,476	156	12	3,337
2000	2,110	1,136	293	24	3,563
2001	1,742	1,078	303	24	3,147
2002	1,884	1,545	283	24	3,736
2003	2,009	1,432	279	24	3,744
2004	1,787	1,536	268	21	3,612
2005	1,891	1,323	227	26	3,468
2006	1,797	1,211	216	33	3,257
2007	1,740	1,228	139	19	3,126
2008	1,580	1,257	139	19	2,996
2009	1,976	428	172	19	2,594
2010	1,922	37	172	19	2,150
2011	1,807	466	183	19	2,476
2012	1,740	605	177	19	2,541
2013*	889	332	188	21	1,430
2014	1,552	86	179	21	1,838
2015	1,816	344	161	21	2,342
2016	1,923	305	154	21	2,402
2017	1,945	57	154	20	2,177
2018	1,365	57	150	15	1,587
2019	1,822	0	149	16	1,986
2020	2,392	0	155	6	2,553
2021	2,405	0	161	16	2,582
2022	2,618	0	155	16	2,788
2023	2,699	0	156	16	2,872
2024	2,709	0	183	16	2,908

*Potential missing data



March 2025

TODD GROUNDWATER

Appendix D-1
Reservoir Releases
for Percolation

APPENDIX E WATER USE DATA

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Table E-2. Historical CVP and RW Use by MA (AFY)

Table E-3. Municipal Water Use by Major Purveyor for Water Year 2024 (AF)

Table E-4. Historical Municipal Water Use by Major Purveyor (AFY)

Figure E-1. Groundwater Water Balance By Year Type – Bolsa MA (AFY)

Figure E-2 Groundwater Water Balance By Year Type – Hollister MA (AFY)

Figure E-3. Groundwater Water Balance By Year Type – San Juan MA (AFY)

Figure E-4. Groundwater Water Balance By Year Type – Southern MA (AFY)

Table E-1. Recent CVP Allocation and Use

Water Year	Municipal and Industrial (M&I) CVP				Agricultural CVP			
	Percent of Contract Allocation[1]	Percent of Historic Average[2]	Contract Amount Used (AF)	Contract Amount Used (%)	Percent of Contract Allocation[3]	Percent of Contract and M&I Adjustment[2]	Contract Amount Used (AF)[4]	Contract Amount Used (%)
	(USBR Water Year Mar-Feb)		(Hydrologic Water Year Oct-Sep)		(USBR Water Year Mar-Feb)		(Hydrologic Water Year Oct-Sep)	
2006	100%		3,152	38%	100%		19,840	56%
2007	100%		4,969	60%	40%		18,865	53%
2008	37%	75%	2,232	27%	40%	45%	10,514	30%
2009	29%	60%	1,978	24%	10%	11%	6,439	18%
2010	37%	75%	2,197	27%	45%	50%	10,061	28%
2011	100%		2,433	29%	80%		16,234	46%
2012	51%	75%	2,683	33%	40%	40%	17,267	49%
2013	47%	70%	2,652	32%	20%	22%	12,914	36%
2014	34%	50%	1,599	29%	0%	0%	7,545	21%
2015	25%		1,810	22%	0%		3,697	10%
2016	55%		1,914	23%	5%		4,434	12%
2017	100%		2,909	35%	100%		15,837	45%
2018	75%		5,679	69%	50%		17,418	49%
2019	100%		4,457	54%	75%		16,774	47%
2020	65%		4,953	60%	15%		15,327	43%
2021	65%		3,341	40%	0%		6,108	17%
2022[5]	33%		2,786	34%	0%		1,098	3%
2023	100%		2,616	32%	100%		8,441	24%
2024	75%		4,984	60%	50%		12,066	34%
Average (14-23)	69%				40%			

Notes: 1 Total contract (100% allocation) M&I 8,250 AFY
2 Shortage Policy Adjustments
3 Total contract (100% allocation) Ag 35,550 AFY
4 Includes water percolated
5 Public Health Safety volumes

Table E-2. Historical CVP and RW Use by MA in Zone 6 (AFY)

MA:	San Juan MA	Hollister MA		Total Zone 6	
Source:	CVP	CVP	RW	CVP	RW
1993	4,300	11,333	0	15,633	0
1994	3,836	11,155	0	14,990	0
1995	4,554	11,576	0	16,130	0
1996	5,187	13,636	0	18,823	0
1997	6,191	14,858	0	21,048	0
1998	4,099	8,697	0	12,796	0
1999	5,990	12,048	0	18,038	0
2000	6,372	12,301	0	18,673	0
2001	7,232	12,170	0	19,402	0
2002	7,242	13,169	0	20,411	0
2003	7,127	14,607	0	21,734	0
2004	7,357	16,653	0	24,010	0
2005	6,245	14,139	0	20,384	0
2006	7,200	15,792	0	22,992	0
2007	6,160	15,955	0	22,115	0
2008	3,160	9,586	0	12,745	0
2009	1,605	6,599	0	8,204	0
2010	3,452	8,532	151	11,984	151
2011	5,623	13,045	183	18,667	183
2012	5,976	13,973	230	19,949	230
2013	4,134	11,431	357	15,566	357
2014	1,984	7,160	262	9,144	262
2015	975	4,532	101	5,507	101
2016	819	5,528	499	6,347	499
2017	5,853	10,344	366	16,197	366
2018	6,383	13,748	471	20,131	471
2019	3,990	12,198	569	16,188	569
2020	4,618	12,501	526	17,119	526
2021	1,587	7,859	472	9,446	472
2022	2,779	1,102	611	3,882	611
2023	3,897	7,158	484	11,054	484
2024	6,485	8,599	341	15,084	341
AVG 93-24	4,763	11,000	176	15,762	176

* No Recycled Water is used in San Juan MA

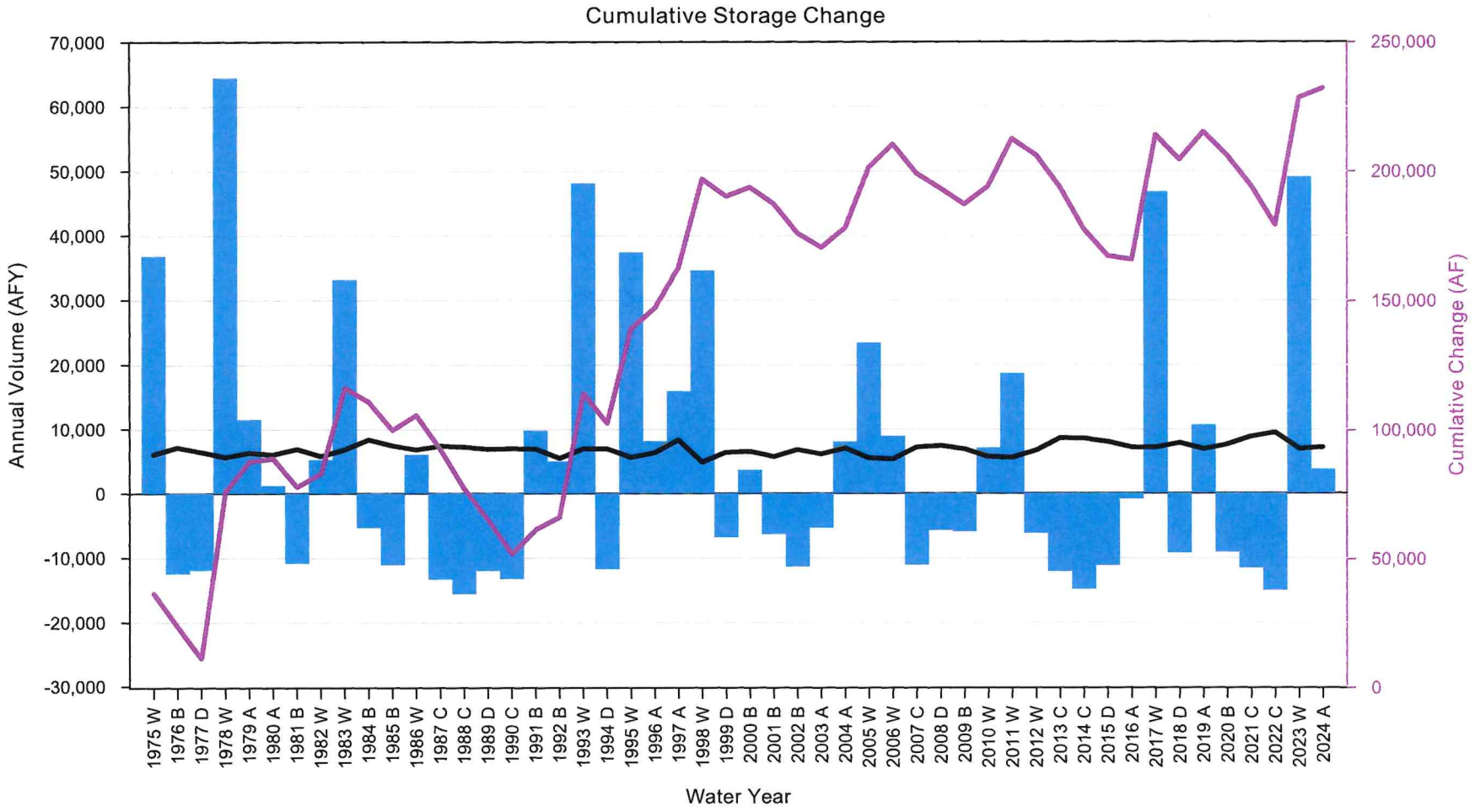
Table E-3. Municipal Water Use by Major Purveyor for Water Year 2024 (AF)

	WY 2024	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Groundwater													
Sunnyslope CWD	**915**	59	60	45	44	35	10	10	41	47	162	157	245
City of Hollister	**769**	32	8	13	57	24	25	38	66	94	150	129	134
City of Hollister - Cienega Wells	**75**	8	6	8	5	0	8	8	8	8	6	5	6
San Juan Bautista	**288**	26	22	20	20	16	18	19	25	29	33	32	27
Tres Pinos CWD	**30**	3	2	2	2	2	2	2	3	3	3	1	4
Groundwater Subtotal	**2,078**	**129**	**98**	**89**	**127**	**77**	**64**	**77**	**143**	**182**	**353**	**324**	**415**
CVP Imported Water													
Lessalt Treatment Plant	**1,907**	223	208	155	140	113	93	125	138	152	178	215	167
West Hills Treatment Plant	**2,868**	344	246	205	184	118	201	235	256	295	250	306	228
Imported Water Subtotal	**4,775**	**567**	**454**	**361**	**324**	**231**	**294**	**360**	**394**	**447**	**428**	**521**	**396**
Municipal Total													
TOTAL Municipal Water Supply	**6,853**	**695**	**552**	**450**	**451**	**308**	**358**	**437**	**537**	**629**	**782**	**845**	**810**

Table E-4. Historical Municipal Water Use by Major Purveyor (AFY)

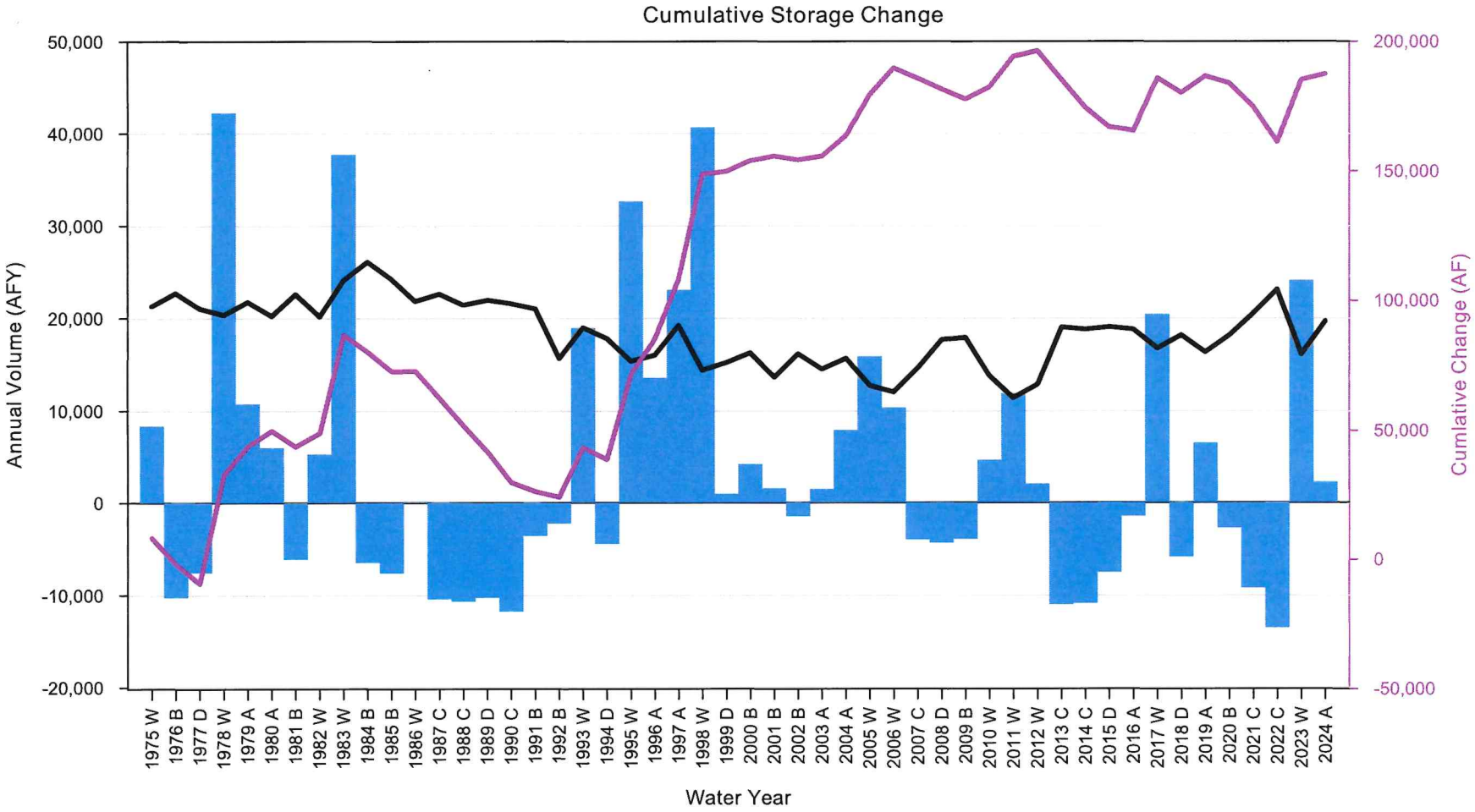
WY	Sunnyslope CWD - GW	City of Hollister - GW	City of Hollister - Cienega Wells[1]	San Juan Bautista	Tres Pinos CWD	Lessalt Treatment Plant	West Hills Treatment Plant	Undivided Total	TOTAL
1988						0	0	5,152	5,152
1989						0	0	6,047	6,047
1990						0	0	5,725	5,725
1991						0	0	7,631	7,631
1992						0	0	6,912	6,912
1993						0	0	5,066	5,066
1994						0	0	7,186	7,186
1995	2,167	2,446				0	0		4,613
1996	2,139	3,386				0	0		5,525
1997	2,638	3,848				0	0		6,486
1998	2,357	3,441				0	0		5,798
1999	2,820	3,558				0	0		6,378
2000	3,214	4,021				0	0		7,235
2001	3,290	3,851				0	0		7,141
2002	3,256	4,120				21	0		7,398
2003	2,053	2,754				2,494	0		7,302
2004	2,426	2,828				2,101	0		7,356
2005	1,959	3,147	123	247	49	1,843	0		7,368
2006	1,907	2,801	123	150	49	1,900	0		6,930
2007	2,413	2,758	123	47	49	1,719	0		7,108
2008	2,294	2,746	123	417	47	1,323	0		6,949
2009	2,251	2,503	123	373	47	1,212	0		6,509
2010	1,861	2,194	108	308	47	1,344	0		5,861
2011	2,225	1,651	80	292	47	1,593	0		5,887
2012	2,360	1,761	130	267	45	1,657	0		6,219
2013	1,655	2,655	120	281	46	1,648	0		6,405
2014	2,134	2,646	114	285	49	979	0		6,207
2015	1,348	1,960	114	225	49	1,364	0		5,060
2016	1,331	1,615	105	232	49	1,682	0		5,014
2017	1,449	1,543	79	249	32	1,940	51		5,344
2018	978	1,217	121	184	34	1,596	1,990		6,119
2019	565	588	283	257	33	1,660	2,524		5,912
2020	694	707	95	224	35	1,503	1,990		5,248
2021	1,576	1,517	101	224	35	931	1,314		5,698
2022	1,839	1,449	97	229	34	258	2,488		6,394
2023	1,478	1,684	90	276	159	814	1,489		5,990
2024	915	769	75	288	30	1,907	2,868		6,853

1. Data from Hollister Cienega Wells for 2005-2008 was estimated to be the same as WY 2009
Cells with no data indicate that the information is unavailable, while years with no use are shown explicitly as 0's.



Cumulative Storage Change
Pumping
Annual

March 2025	Figure E-1 Water Year Type and Storage, Southern Management Area
TODD GROUNDWATER	

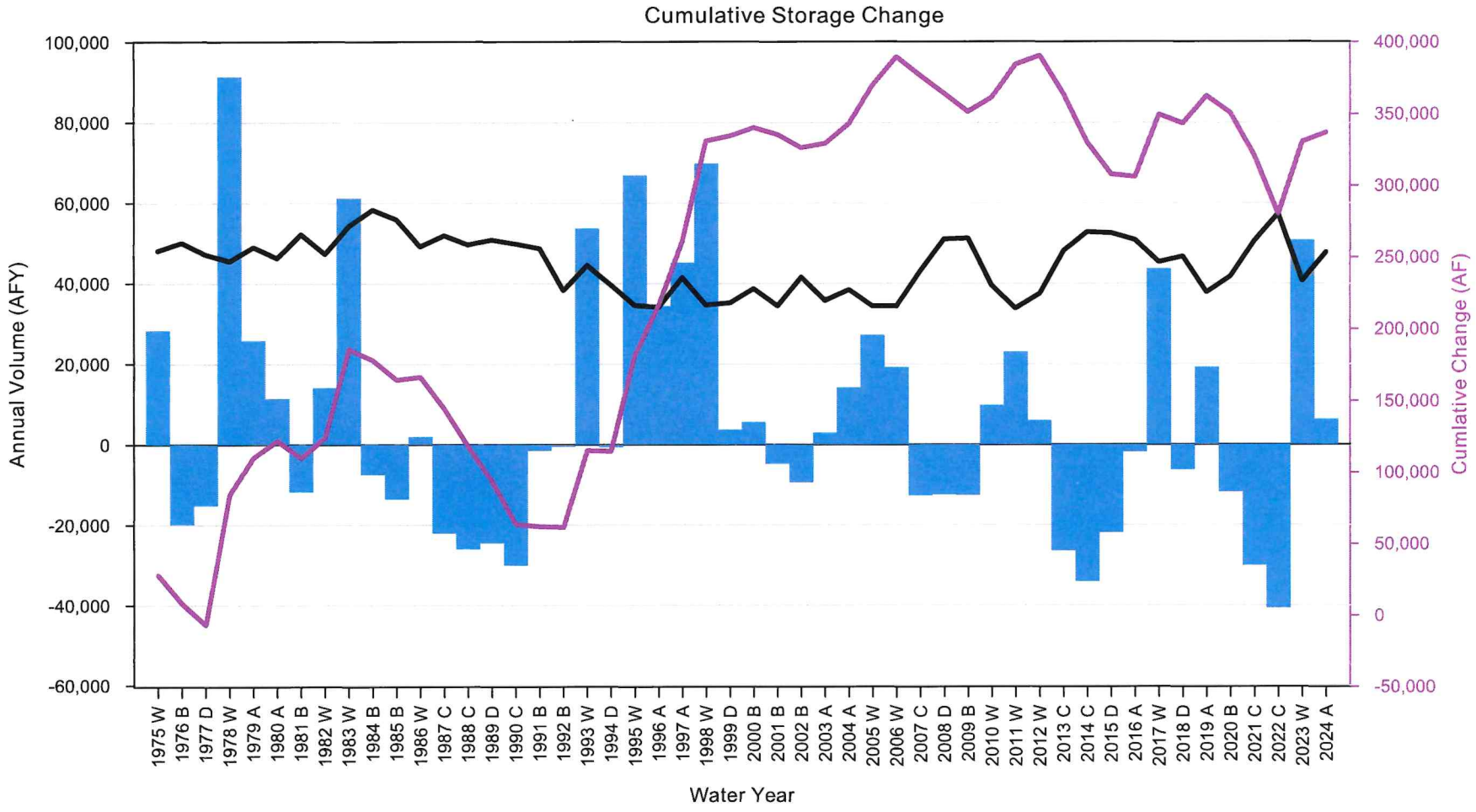


Cumulative Storage Change
Pumping
Annual

March 2025

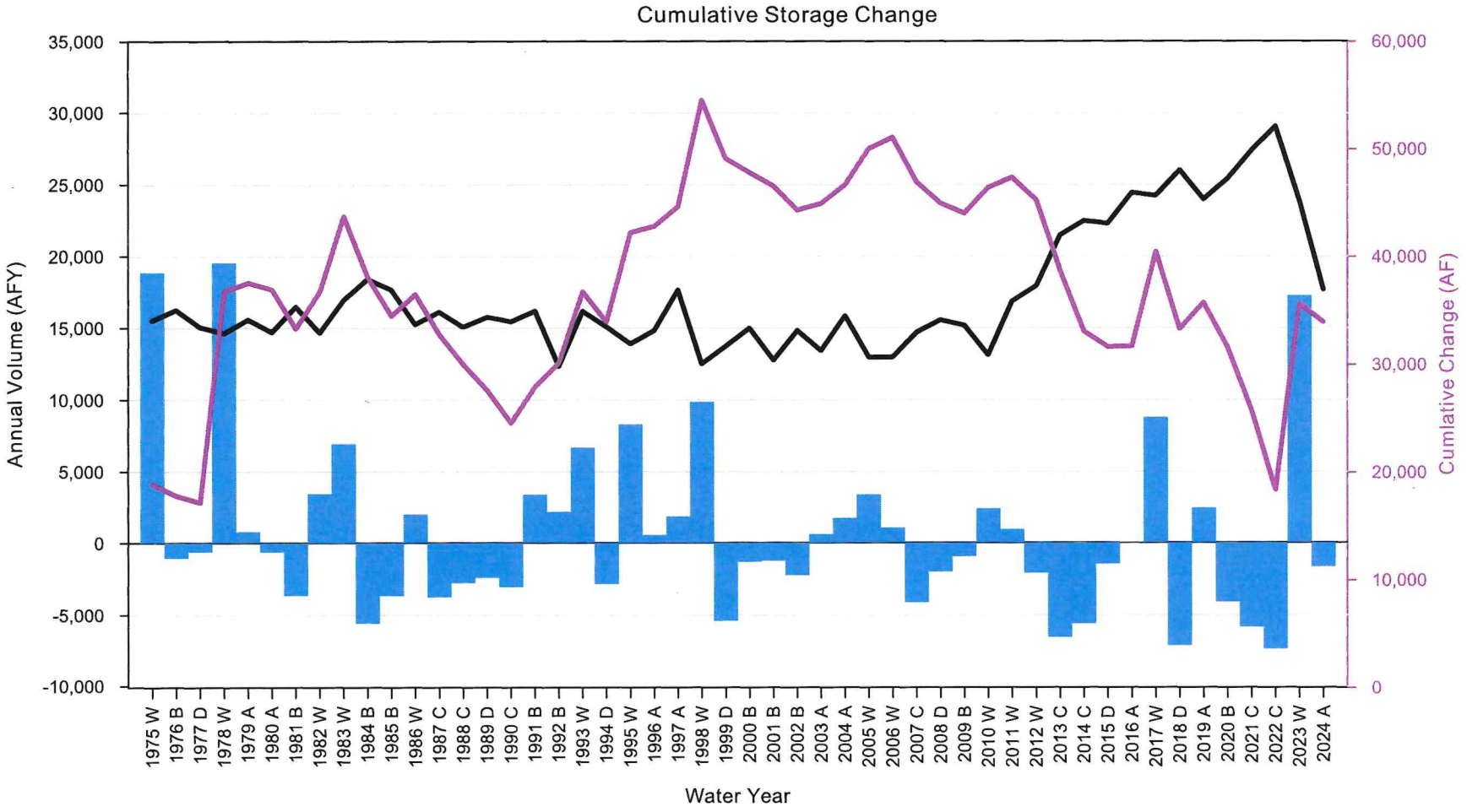
TODD GROUNDWATER

Figure E-2
Water Year Type
and Storage, San Juan
Management Area



Cumulative Storage Change
Pumping
Annual

March 2025	Figure E-3 Water Year Type and Storage, Hollister Management Area
TODD GROUNDWATER	



Cumulative Storage Change
Pumping
Annual

March 2025	Figure E-4 Water Year Type and Storage Bolsa Management Area
TODD GROUNDWATER	

APPENDIX F RATES AND CHARGES

List of Tables and Figures

Table F-1. Historical and Current San Benito County Water District CVP (Blue Valve) Water Rates

Table F-2. Recent US Bureau of Reclamation Charges per Acre-Foot for CVP Water

Table F-1. Historical and Current San Benito County Water District CVP (Blue Valve) Water Rates (dollars/af)

USBR Water Year	Standby & Availability Charge (dollars/acre)	Water Charge			Power Charge					Groundwater Charge (dollars/af)			Recycled Water (per AF)	
		Agricultural	Municipal & Industrial		Distribution Subsystem					Agricultural	Municipal & Industrial		Agricultural	Power Charge
			Small Parcel & Contract	Wholesale	2	6H	9L	9H	Others					
1987	$8.00	$34.00	n.c.							n.i.	n.i.			
1988	$2.00	$34.00	n.c.							n.i.	n.i.			
1991	$4.00	$38.00	$110.00							$6.25	$22.00			
1992	$4.00	$45.00	$120.00							$2.00	$10.00			
1994	$4.50	$77.61	$168.92							$1.00	$5.00			
1995	$4.50	$77.61	$168.92							$1.00	$15.75	First 100 af		
											$36.70	Next 500 af		
											$54.60	Over 600 af		
1996	$6.00	$75.00	$150.00							$1.50	$33.00			
1997	$6.00	$75.00	$157.00							$1.50	$33.00			
1998	$6.00	$75.00	$155.00							$1.50	$33.00			
2000	$6.00	$75.00	$155.00							$1.50	$11.50			
2001	$6.00	$75.00	$155.00							$1.50	$25.00			
2004	$6.00	$75.00	$150.00	$150.00	$24.30	$46.75	$25.05	$53.70	$15.25	$1.50	$10.00			
2005	$6.00	$80.00	$150.00	$150.00	$26.15	$49.40	$35.00	$66.90	$17.10	$1.50	$21.50			
2006	$6.00	$85.00	$160.00	$160.00	$23.60	$36.05	$34.70	$65.75	$18.40	$1.50	$21.50			
2007	$6.00	$85.00	$160.00	$160.00	$23.60	$36.05	$34.70	$65.75	$18.40	$1.50	$21.50			
2008	$6.00	$100.00	$170.00	$170.00	$17.25	$19.40	$32.60	$62.75	$14.85	$1.50	$21.50			
2009	$6.00	$115.00	$180.00	$180.00	$17.50	$20.25	$42.55	$74.85	$16.30	$2.50	$22.50			
2010	$6.00	$135.00	$200.00	$200.00	$22.00	$27.30	$49.75	$84.35	$21.75	$2.50	$22.50			
2011	$6.00	$155.00	$220.00	$220.00	$22.70	$28.15	$51.25	$86.90	$22.40	$2.50	$22.50			
2012	$6.00	$170.00	$235.00	$235.00	$23.35	$29.00	$52.80	$89.50	$23.10	$2.50	$22.50			
2013	$6.00	$170.00	$235.00	$235.00	$40.30	$29.25	$43.05	$91.55	$22.40	$3.25	$23.25			
2014	$6.00	$170.00	$238.00	$238.00	$41.55	$30.15	$44.35	$94.30	$23.10	$3.60	$23.25			
2015	$6.00	$179.00	$247.00	$247.00	$42.75	$31.05	$45.70	$97.15	$23.80	$3.95	$23.25			
2016	$6.00	$272.00	$363.00	$363.00	$123.10	$75.65	$109.95	$162.55	$66.05	$4.95	$24.25		$182.55	$57.70
2017	$6.00	$191.00	$363.00	$363.00	$126.80	$77.90	$113.25	$167.45	$68.05	$6.45	$24.25		$183.45	$59.45
2018	$6.00	$209.00	$363.00	$363.00	$130.60	$80.25	$116.25	$172.45	$70.10	$7.95	$24.25		$183.45	$59.45
2019	$6.00	$254.00	$404.00	$404.00	$80.45	$39.30	$88.15	$130.30	$33.70	$12.75	$38.25		$183.45	$59.45
2020	$6.00	$265.00	$415.00	$415.00	$82.85	$40.45	$90.80	$134.10	$34.75	$13.15	$39.40		$208.00	$60.64
2021	$6.00	$274.00	$424.00	$424.00	$85.35	$41.50	$93.55	$138.25	$35.75	$13.55	$40.55		$210.00	$61.85
2022	$6.00	$274.00	$424.00	$647.00	$85.35	$41.50	$93.55	$138.25	$35.75	$13.55	$40.55		$211.00	$63.09
2023	$6.00	$294.68	$653.70	$653.70	$40.22	$40.22	$94.01	$94.01	$40.22	$13.75	$13.75		$294.70	$101.10
2024	$6.00	$300.58	$640.07	$640.07	$41.64	$41.64	$97.31	$97.31	$41.64	$14.03	$14.03		$300.59	$104.65
2025	$6.00	$306.59	$623.53	$623.53	$43.10	$43.10	$100.73	$100.73	$43.10	$14.31	$14.31		$306.61	$108.32

Notes:
af = acre-feet.
n.c. = no classification.
n.i. = not implemented
All rates effective March 1 through following February.

Table F-2. Recent US Bureau of Reclamation Charges per Acre-Foot for CVP Water

User Category and Cost Item	Irrigation[1]						Municipal & Industrial					
	Cost of service (non-full cost)	Restoration fund[3]	SLDMWA[4]	Trinity PUD Assessment	Total	Contract rate[5]	Cost of service[2] (non-full cost)	Restoration fund[3]	SLDMWA[4]	Trinity PUD Assessment	Total	Contract rate[5]
1994	$71.68	$6.20	n.a.		$77.88	$17.21	$165.67	$12.40	n.a.		$178.07	$85.86
1995	$66.47	$6.35	n.a.		$72.82	$17.21	$132.90	$12.69	n.a.		$145.59	$85.86
1996	$65.63	$6.53	n.a.		$72.16	$27.46	$127.40	$13.06	n.a.		$140.46	$85.86
1997	$69.57	$6.70	n.a.		$76.27	$27.46	$143.27	$13.39	n.a.		$156.66	$85.86
1998	$61.58	$6.88	$5.00		$73.46	$27.46	$130.88	$13.76	$5.00		$149.64	$85.86
1999	$60.30	$6.98	$2.73		$70.01	$27.46	$127.91	$13.96	$2.73		$144.60	$85.86
2000	$64.24	$7.10	$6.43		$77.77	$27.46	$129.59	$14.20	$6.43		$150.22	$85.86
2001	$69.50	$7.28	$2.65		$79.43	$27.46	$129.40	$14.56	$4.15		$148.11	$85.86
2002	$68.71	$7.54	$6.61		$82.86	$24.30	$130.32	$15.08	$6.61		$152.01	$79.13
2003	$72.20	$7.69	$5.46		$85.35	$24.30	$129.07	$15.38	$5.46		$149.91	$79.13
2004	$74.52	$7.82	$6.61		$88.95	$24.30	$134.86	$15.64	$6.61		$157.11	$79.13
2005	$77.10	$7.93	$7.99		$93.02	$24.30	$132.01	$15.87	$7.99		$155.87	$79.13
2006	$91.13	$8.24	$9.31		$108.68	$30.93	$214.41	$16.49	$9.31		$240.21	$77.12
2007	$93.53	$8.58	$9.99	$0.11	$112.21	$30.93	$215.32	$17.15	$9.99	$0.11	$242.46	$80.08
2008[6]	$28.12	$8.79	$10.95	$0.07	$47.93	$30.93	$33.34	$17.57	$10.95	$0.07	$61.68	$33.34
2009	$30.20	$9.06	$11.49	$0.07	$50.82	$30.20	$32.77	$18.12	$11.49	$0.07	$62.45	$32.77
2010	$33.27	$9.11	$11.91	$0.11	$54.40	$33.27	$36.11	$18.23	$11.91	$0.11	$66.36	$36.11
2011	$38.92	$9.29	$9.51	$0.05	$57.77	$38.92	$42.58	$18.59	$9.51	$0.05	$70.73	$42.58
2012	$39.71	$9.39	$15.20	$0.05	$64.35	$39.71	$37.95	$18.78	$15.20	$0.05	$71.98	$37.95
2013	$40.39	$9.79	$17.29	$0.05	$67.52	$39.91	$38.71	$19.58	$17.29	$0.05	$75.63	$40.92
2014	$46.87	$9.99	$28.81	$0.23	$85.90	$46.87	$29.70	$19.98	$28.81	$0.23	$78.72	$29.70
2015	$53.82	$10.07	$30.66	$0.23	$94.78	$53.82	$34.74	$20.14	$30.66	$0.23	$85.77	$34.74
2016	$85.12	$10.21	$30.66	$0.30	$126.29	$38.28	$61.24	$20.41	$30.66	$0.30	$112.61	$23.42
2017	$66.17	$10.23	$14.15	$0.30	$90.85	$39.90	$49.50	$20.45	$14.15	$0.30	$84.40	$22.85
2018	$79.09	$10.47	$20.39	$0.30	$110.25	$48.35	$43.74	$20.94	$20.39	$0.30	$85.37	$17.45
2019	$67.32	$10.63	$20.26	$0.30	$98.51	$40.14	$37.54	$21.26	$20.26	$0.30	$79.36	$17.98
2020	$72.24	$10.91	$27.57	$0.12	$110.84	$52.76	$37.18	$21.82	$27.57	$0.12	$86.69	$17.87
2021	$72.61	$11.11	$38.52	$0.15	$122.39	$48.42	$35.47	$22.23	$38.52	$0.15	$96.37	$35.47
2022	$46.07	$11.23	$39.19	$0.15	$96.64	$28.46	$45.07	$22.46	$39.19	$0.15	$106.87	$27.50
2023	$66.96	$12.02	$14.46	$0.15	$93.59	$33.97	$63.15	$24.05	$14.46	$0.15	$101.81	$25.52
2024	$44.47	$13.00	$23.92	$0.00	$81.39	$22.15	$46.97	$25.99	$23.92	$0.00	$96.88	$25.04
2025	$37.98	$13.33	$29.85	$0.00	$81.16	$18.42	$41.25	$26.67	$29.85	$0.00	$97.77	$24.91

Notes:

(1) Total USBR rate given for non-full cost users only, as they represent the majority of water users.

(2) Cost-of-service for agricultural and municipal and industrial users includes a capital repayment rate and an operation and maintenance (O&M) rate. For municipal and industrial customers, cost-of-service also includes a deficit charge, which includes interest on unpaid O&M and interest on capital and on unpaid deficit.

(3) Restoration fund charges apply October 1 through September 30. All other rates effective March 1 through following February.

(4) Beginning in 1998, the San Luis-Delta Mendota Water Authority instituted this charge to "self-fund" costs associated with maintaining the Delta-Mendota Canal and certain other facilities, which were formerly funded directly by the Bureau of Reclamation. SLDMWA issues preliminary rates in December for the upcoming contract year (March-February). These rates are used for rate-setting purposes; actual rates may vary.

(5) The contract rate is the minimum rate CVP contractors are allowed to pay. To the extent that the contract rate does not cover interest plus actual operation and maintenance costs, a contractor deficit is accumulated that is charged interest at the current-year treasury borrowing rate.

(6) Per the amendatory contract with the USBR "out of basin" capital costs that were previously included in the cost of service are now under a separate repayment contract.

(7) Cost of service rates are inclusive of USBR direct pumping and Project Use Energy costs.

APPENDIX H LIST OF ACRONYMS

List of Acronyms

AF or A/F	acre-foot
AFY	acre-foot per year
AG	agriculture
BMP	Best Management Practices
CASGEM	California Statewide Groundwater Elevation Monitoring
CEQA	California Environmental Quality Act
cfs	cubic feet per second
CIMIS	California Irrigation Management Information System
COC	Constituent of Concern
CVP	Central Valley Project
District or SBCWD	San Benito County Water District
CWD	County Water District
DDW	Division of Drinking Water
DWR	California Department of Water Resources
DWTP	Domestic Wastewater Treatment Plant
ET	evapotranspiration
ft	feet
GAMA	Groundwater Ambient Monitoring and Assessment
GICIMA	Groundwater Information Center Interactive Map
GPBO	General Basin Plan Objective
gpd	gallons per day
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
GW	groundwater
HUA	Hollister Urban Area
IRWMP	Integrated Regional Water Management Plan
ITRC	Irrigation Training and Research Center, California Polytechnic State University
IWTP	Industrial Wastewater Treatment Plant
M&I	Municipal and Industrial
MA	Management Area
MCL	Maximum Contaminant Level
MGD	million gallons per day
msl	mean sea level
MT	Minimum Threshold
MW	Monitored well
NGVD	National Geodetic Vertical Datum
pdf	Adobe Acrobat Portable Document Format
PPWD	Pacheco Pass Water District
PVWMA	Pajaro Valley Water Management Agency
RW	recycled water
RWQCB	Regional Water Quality Control Board

APPENDIX H LIST OF ACRONYMS

List of Acronyms (cont.)

SCVWD	Santa Clara Valley Water District
SEIR	Supplemental Environmental Impact Report
SGMA	Sustainable Groundwater Management Act
SLDMWA	San Luis & Delta-Mendota Water Authority
SMCL	Secondary Maximum Contaminant Levels
SSCWD	Sunnyslope County Water District
USBR	U.S. Bureau of Reclamation
UWMP	Urban Water Management Plan
WRA	Water Resources Association of San Benito County
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant
WY	water year

San Benito County Water District

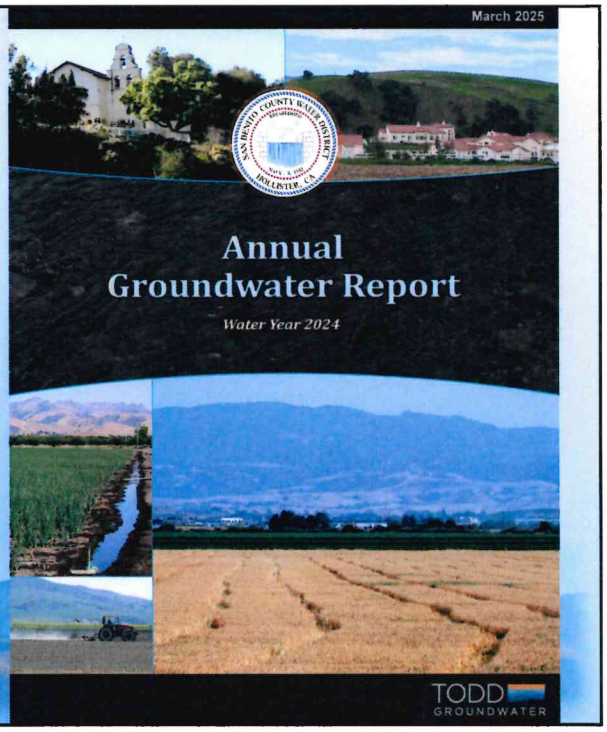
Annual Groundwater Report 2024

Todd Groundwater
Maureen Reilly, PE
Iris Priestaf, PhD

1

Agenda

- Annual Report Requirements
- 2024 Conditions at a Glance
- Geographic Area
- Basin Conditions
- Water Supply and Use
- SGMA Update
- Recommendations



2

Annual Report Requirements

- Annual Report is required by Sustainable Groundwater Management Act (SGMA)
  - General information
  - Basin conditions
  - Implementation progress of projects and management actions (PMAs)
- 4th report following submittal of *North San Benito Groundwater Sustainability Plan (GSP)*
  - Covers WY 2023-2024 (Oct. 1, 2023 – Sept. 30, 2024)
- Due to DWR by April 1, 2025

3

Annual Report Requirements

- District Reports Historically Included:
  - Groundwater level and storage conditions
  - Financial information
  - Water use by source and type, focused on Zone 6
  - Considered conditions by multiple water year definitions
    - USBR contract - March to February
    - Hydrologic - October to September
- SGMA Annual Reports also require:
  - Total water use for the entire basin
  - Change in storage maps for the entire basin
  - Cumulative change in storage from the model
  - GSP implementation progress

4

Water Year 2024 Conditions at a Glance

- Above average conditions
  - Increased rainfall – groundwater levels recovering
  - CVP allocation:

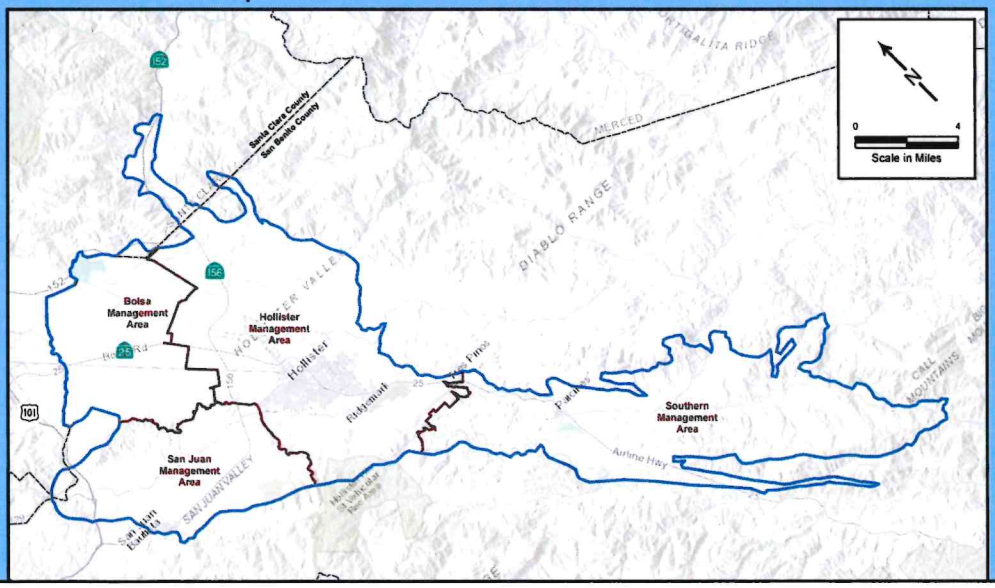
USBR Water Year	Agriculture	M&I
March 2023 - February 2024	100%	100%
March 2024 - February 2025	50%	75%

- Increased groundwater storage in all Management Areas (MAs)
- Total water use has been stable
- Groundwater levels above Minimum Thresholds (MTs)
- Engineering challenges

5

Geographic Area

GSP and Annual Reports address North San Benito Groundwater Basin



6

Basin Conditions

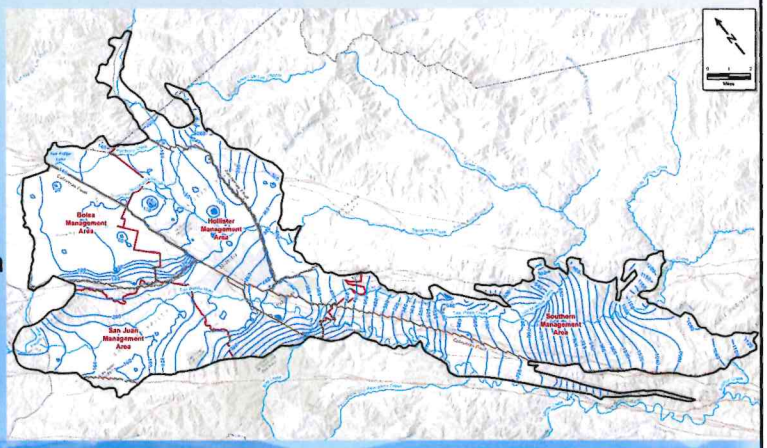
- Monitoring is critical
- SBCWD monitored groundwater levels in 137 wells

- Annual Report presents hydrographs of 22 Key Wells
  - Continued tracking of levels relative to Minimum Thresholds (MTs)
- Some Key Wells were temporarily replaced
- In general, water levels have increased following two years of above average conditions

7

Updated the Numerical Model

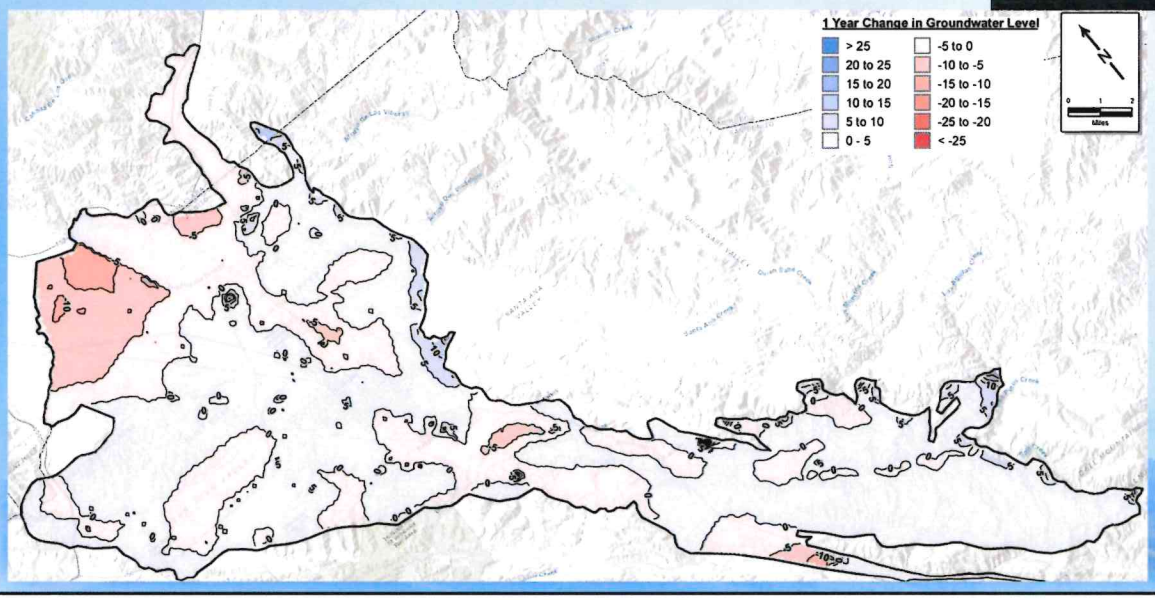
- Simulates water levels all over the basin
  - Model simulated contours
- Quantifies the water balance
  - Uses estimated agricultura pumping
- Calculates the change in groundwater levels and storage



8

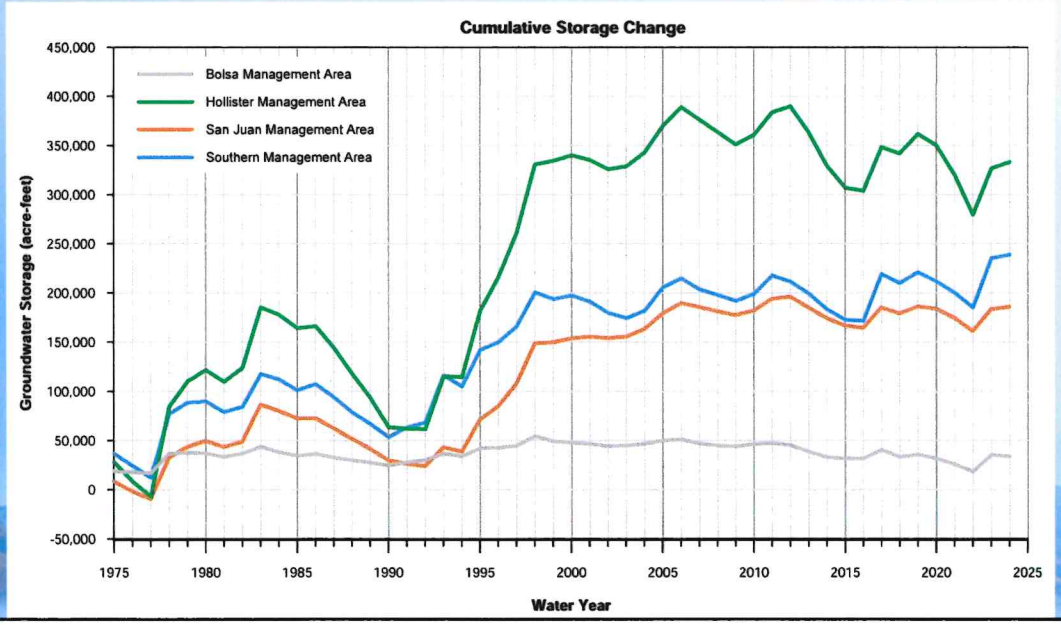
Simulated Change in Groundwater Levels

2023 to 2024



9

Simulated Groundwater Storage Change



10

Water Supply and Use

- Water supply portfolio contains four sources
- Total water use is based on estimated agricultural pumping
  - No longer relying on Power meters in Zone 6 – applying a consistent method across the basin
  - Developing new tools to better estimate water use (OpenET)



11

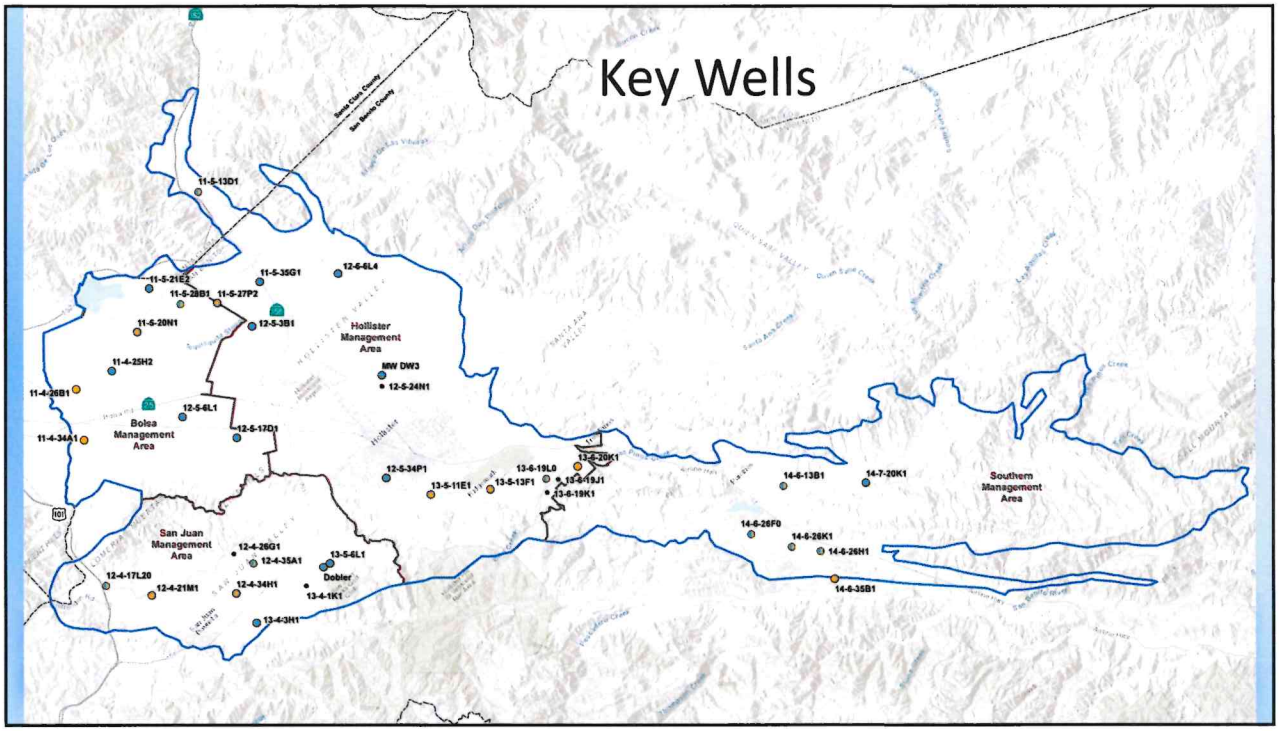
SGMA Update

	Indicator	Status of Minimum Threshold
	Groundwater-Level Declines	Compile water level data. Compare key wells elevations with MTs
	Groundwater-Storage Reductions	Compute groundwater storage using the numerical model.
	Water-Quality Degradation	Compile water quality data. Summarize the findings for the triennal review.
	Land Subsidence	Download and review DWR InSar data
	Interconnected Surface-Water Depletions	Review key shallow wells elevations with MTs

SGMA tracking shows:

- No undesirable results
- North San Benito Basin remains sustainable

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13

SGMA Update – Water Levels

- Minimum Thresholds defined by 22 Key Wells:
  - Based on historical groundwater low levels adjusted to provide reasonable protection to nearby wells
  - Undesirable results are indicated when 2 consecutive exceedances occur in each of 2 consecutive years, in 60 percent or more of the Key Wells in each Management Area.
- Compared with the 22 Key Wells with current groundwater levels
  - 21 wells above the MT
  - Well 13-5-6L1 in the San Juan MA has been below it's MT for 4 years
    - 20 percent of Key Wells in the MA
    - No action required but groundwater levels should be reviewed and this area considered for targeted management

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SGMA Update – Subsidence

- Land subsidence is tracked using regional InSAR data and site-specific UNAVCO station data
- InSAR map of WY 2024 change in ground elevation shows -0.1 to 0.1 feet
- Small but cumulative and we are tracking
- We will refine the definition of undesirable results in upcoming Periodic GSP Evaluation
- Subsidence can be managed by keeping groundwater levels above historical lows



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SGMA Update – Interconnected Surface Water

- Minimum Thresholds defined at 19 Key Wells:
  - Wells are currently monitored for water levels within 1 mile of stream reaches where spring depth to water is typically 20 feet or less
  - Based on historical groundwater low levels during spring months (1992 or 2016)
  - Requires more than 25 percent of Key Wells to be below the MT
- Compared with the 19 Key Wells with Spring 2024 groundwater levels
  - 18 wells above the MT
  - 1 well remains below MT, has been below for four years

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2024 Highlights of Projects and Management Actions

- ADRoP
  - Utilizing grant funding (> $20M from IRWM, DWR SGMA Implementation, + USBR Small Storage)
  - Progress in 2024 with beginning West Hills WTP expansion construction, finalization of ASR well locations, and approaching finalization of property acquisition, State and Federal environmental planning, and well and facilities design
  - District on-track to complete designs for all the wells, transmission infrastructure, and other facilities in early 2025
- B.F. Sisk Dam Raise and Reservoir Expansion
  - Formally approved October 20, 2023, to be completed in 2031
  - Will provide additional storage of surface water allocations in wet years and increased flexibility for use of the CVP allocation.
- San Juan Bautista Regional Water and Wastewater Solution
  - Construction started on project to hook up with City of Hollister Wastewater Treatment Plan

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Recommendations

- Groundwater Charges Zone 6 – (March 2025 – February 2026)
  - ➢ $14.31 /AF for agricultural
  - ➢ $14.31 /AF is recommended for M&I
- Groundwater Production and Replenishment –
  - ➢ Focus replenishment on areas that still show lower water levels
- Continue with SGMA Implementation
  - ➢New tools to estimate groundwater pumping
  - ➢Implement projects and management actions
- ➢Annual Water Demand and Supply Memo – June 2025

18

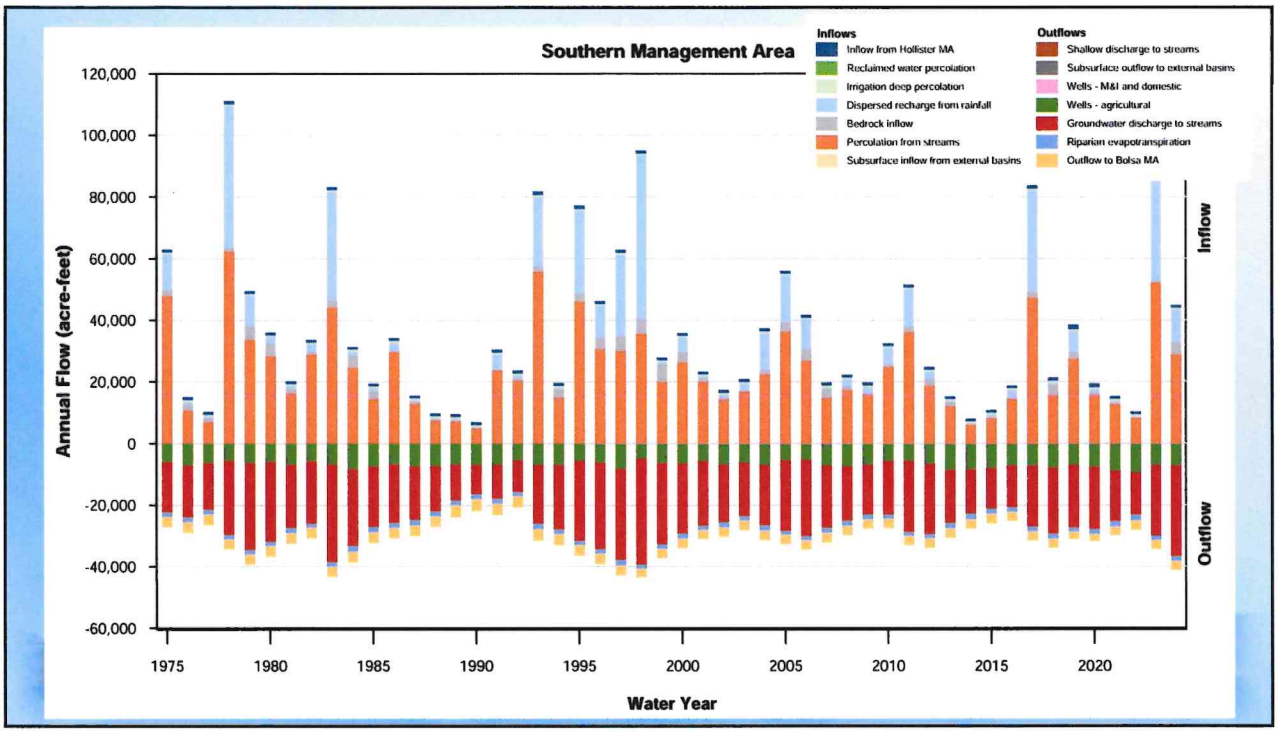
Next Steps

- Periodic Evaluation and GSP Amendment – January 2027
- Focus on Corrective Actions from DWR on GSP
  - Water Quality
    - Update definition of undesirable results
    - Identify the monitoring network
  - Subsidence
    - Identify the minimum threshold exceedances for an undesirable result
  - Interconnected Surface Water
    - Consider utilizing interconnected surface water guidance from DWR, to establish quantifiable minimum thresholds, measurable objectives, and management actions.
    - Fill data gaps

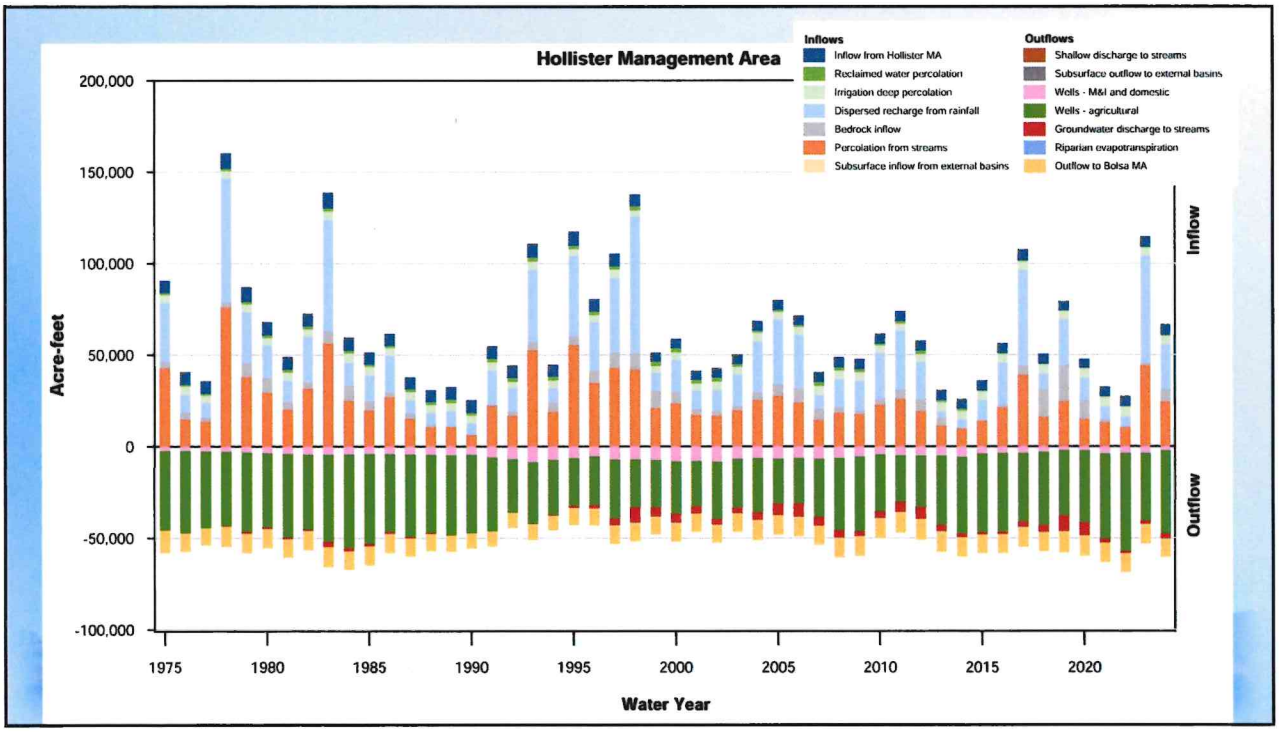
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Discussion

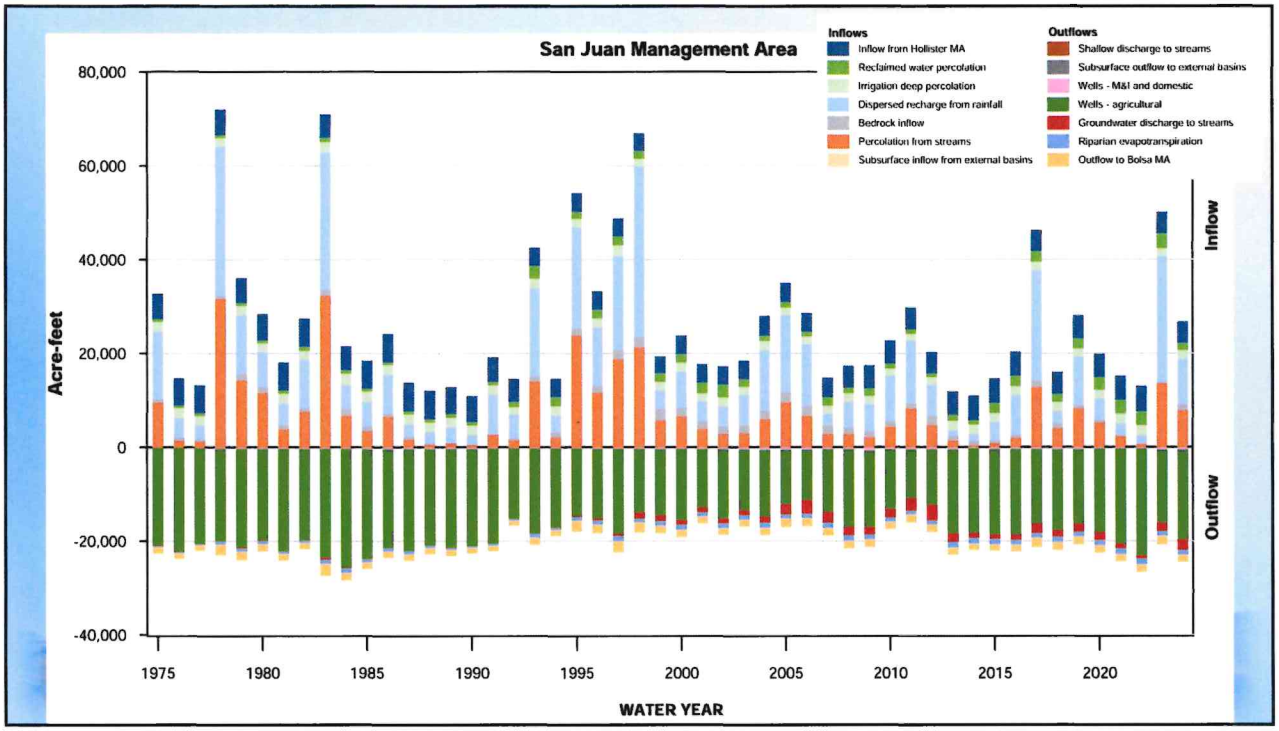
20


Southern Management Area
Inflows
Inflow from Hollister MA
Reclaimed water percolation
Irrigation deep percolation
Dispersed recharge from rainfall
Bedrock inflow
Percolation from streams
Subsurface inflow from external basins
Outflows
Shallow discharge to streams
Subsurface outflow to external basins
Wells - M&I and domestic
Wells - agricultural
Groundwater discharge to streams
Riparian evapotranspiration
Outflow to Bolsa MA
Annual Flow (acre-feet)
120,000
100,000
80,000
60,000
40,000
20,000
0
-20,000
-40,000
-60,000
Inflow
Outflow
1975
1980
1985
1990
1995
2000
2005
2010
2015
2020
Water Year

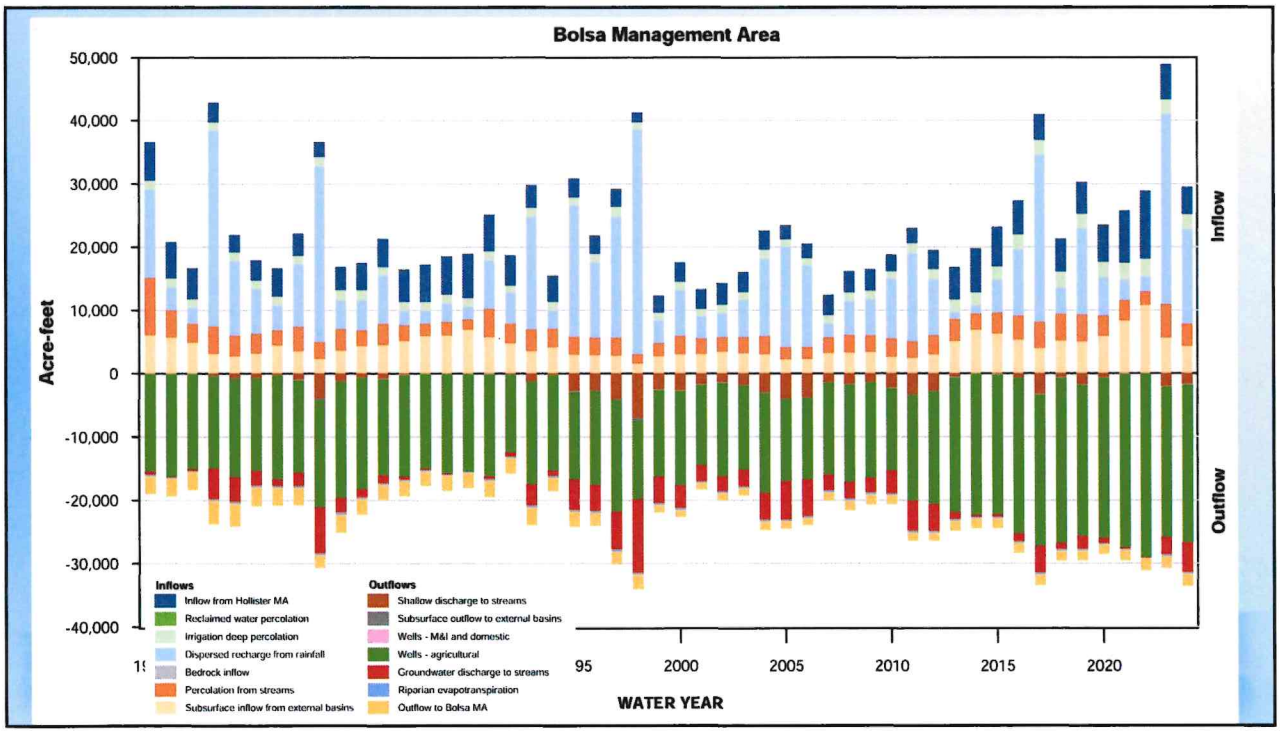
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Hollister Management Area
Inflows
Inflow from Hollister MA
Reclaimed water percolation
Irrigation deep percolation
Dispersed recharge from rainfall
Bedrock inflow
Percolation from streams
Subsurface inflow from external basins
Outflows
Shallow discharge to streams
Subsurface outflow to external basins
Wells - M&I and domestic
Wells - agricultural
Groundwater discharge to streams
Riparian evapotranspiration
Outflow to Bolsa MA
Acre-feet
200,000
150,000
100,000
50,000
0
-50,000
-100,000
Inflow
Outflow
1975
1980
1985
1990
1995
2000
2005
2010
2015
2020
Water Year

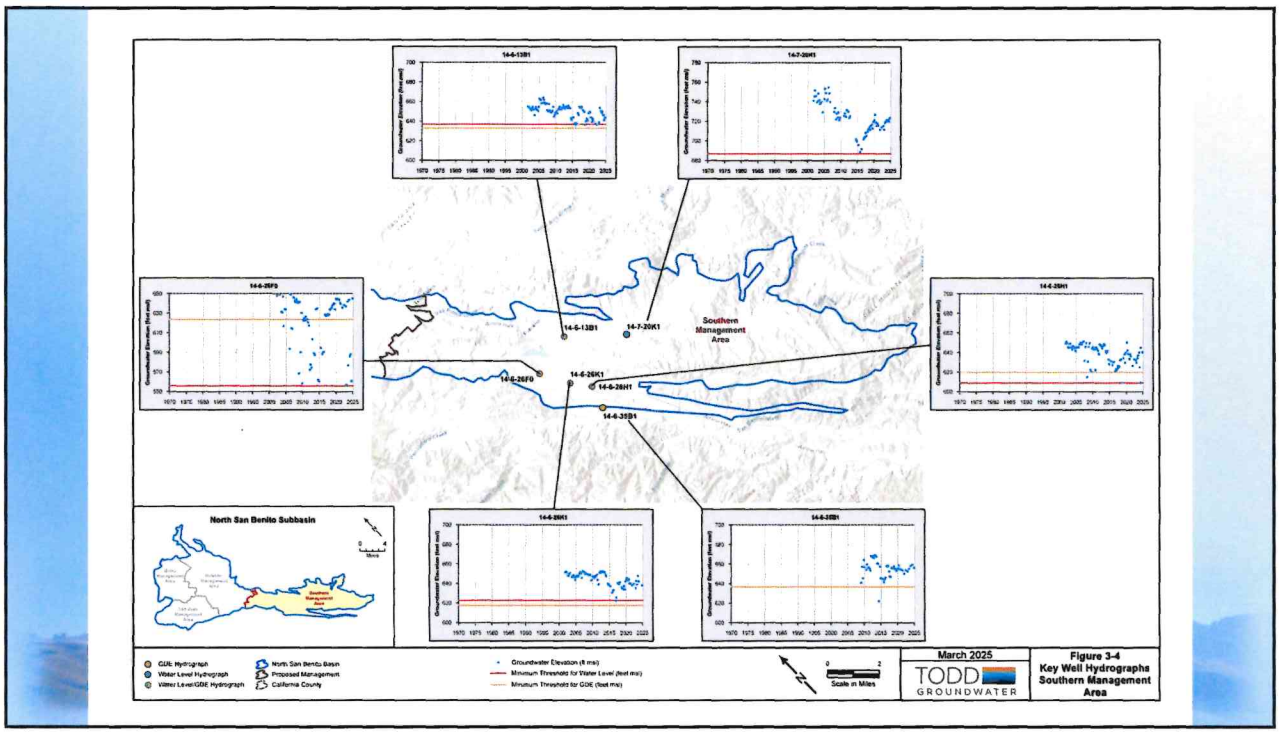
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San Juan Management Area
Inflows
Inflow from Hollister MA
Reclaimed water percolation
Irrigation deep percolation
Dispersed recharge from rainfall
Bedrock inflow
Percolation from streams
Subsurface inflow from external basins
Outflows
Shallow discharge to streams
Subsurface outflow to external basins
Wells - M&I and domestic
Wells - agricultural
Groundwater discharge to streams
Riparian evapotranspiration
Outflow to Bolsa MA
Acre-feet
80,000
60,000
40,000
20,000
0
-20,000
-40,000
Inflow
Outflow
1975
1980
1985
1990
1995
2000
2005
2010
2015
2020
WATER YEAR

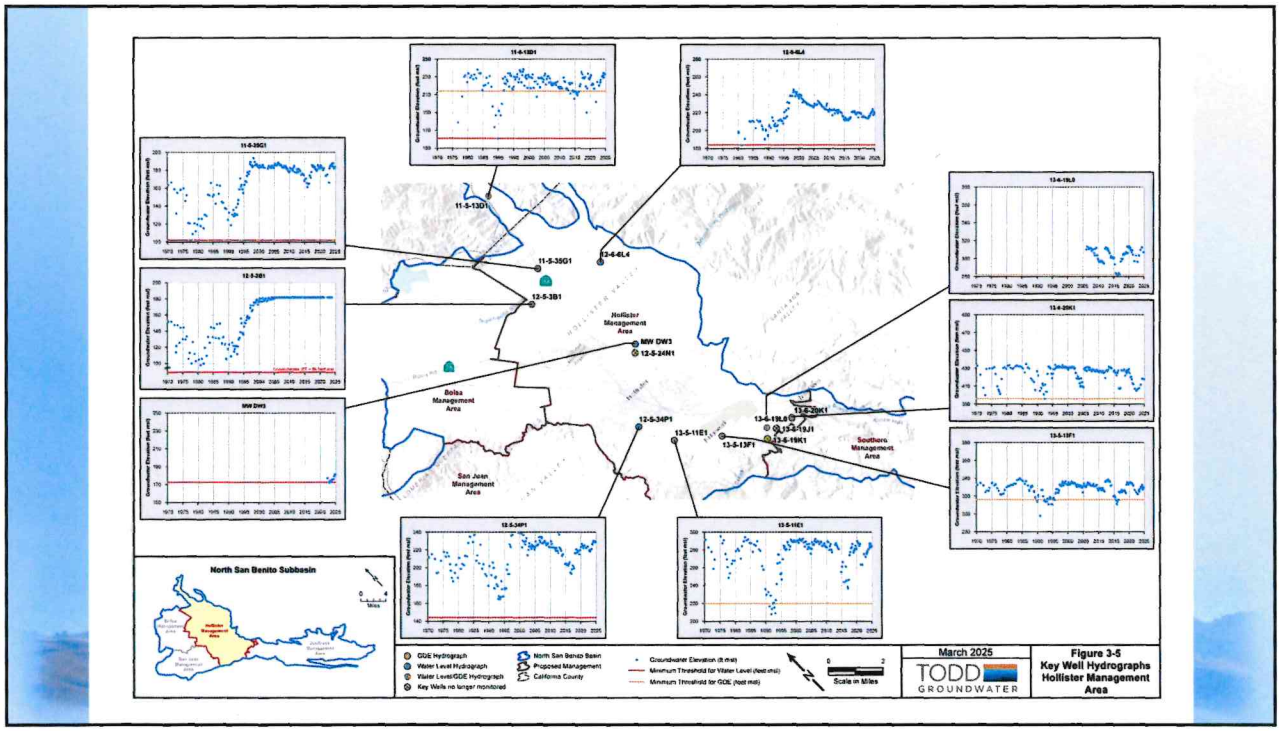
23


Bolsa Management Area
50,000
40,000
30,000
20,000
10,000
0
-10,000
-20,000
-30,000
-40,000
Acre-feet
Inflow
Outflow
Inflows
Inflow from Hollister MA
Reclaimed water percolation
Irrigation deep percolation
Dispersed recharge from rainfall
Bedrock inflow
Percolation from streams
Subsurface inflow from external basins
Outflows
Shallow discharge to streams
Subsurface outflow to external basins
Wells - M&I and domestic
Wells - agricultural
Groundwater discharge to streams
Riparian evapotranspiration
Outflow to Bolsa MA
95
2000
2005
2010
2015
2020
WATER YEAR

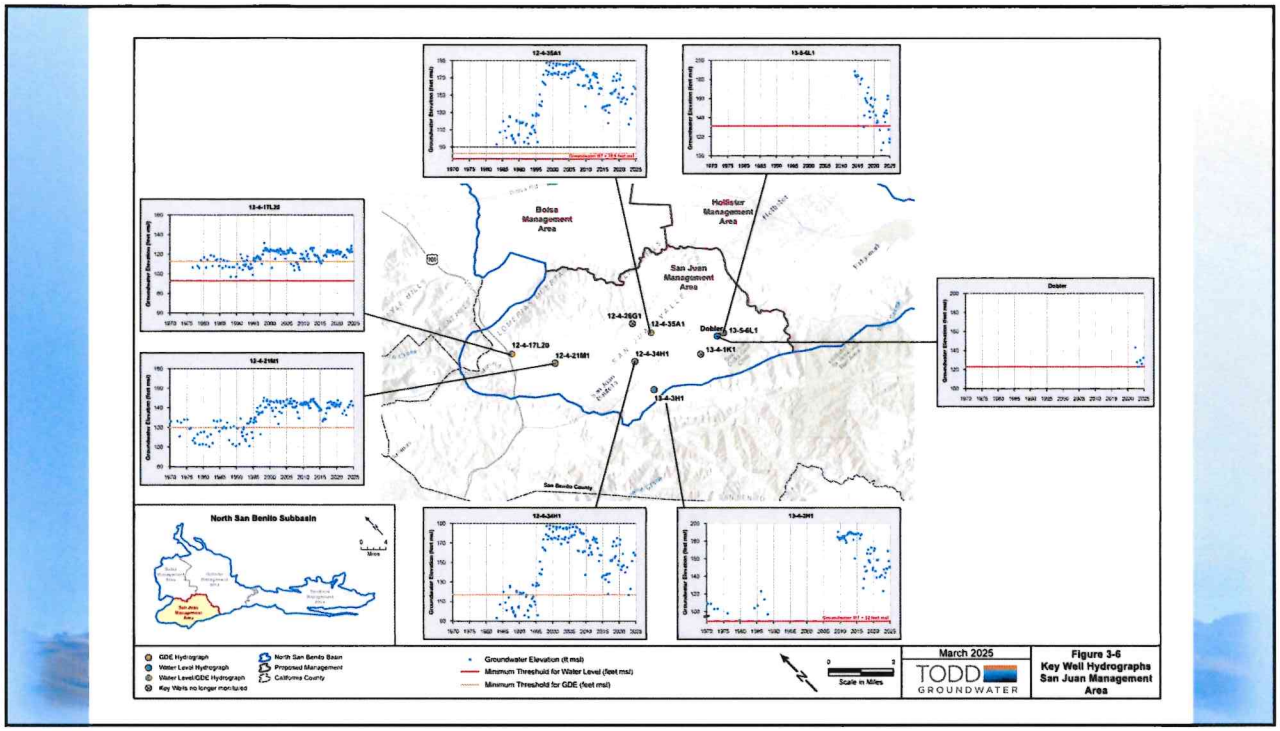
24


14-6-13B1
14-7-20K1
14-6-26F0
14-6-26K1
14-6-26H1
14-6-35B1
Southern Management Area
North San Benito Subbasin
March 2025
TODD GROUNDWATER
Figure 3-4
Key Well Hydrographs
Southern Management Area

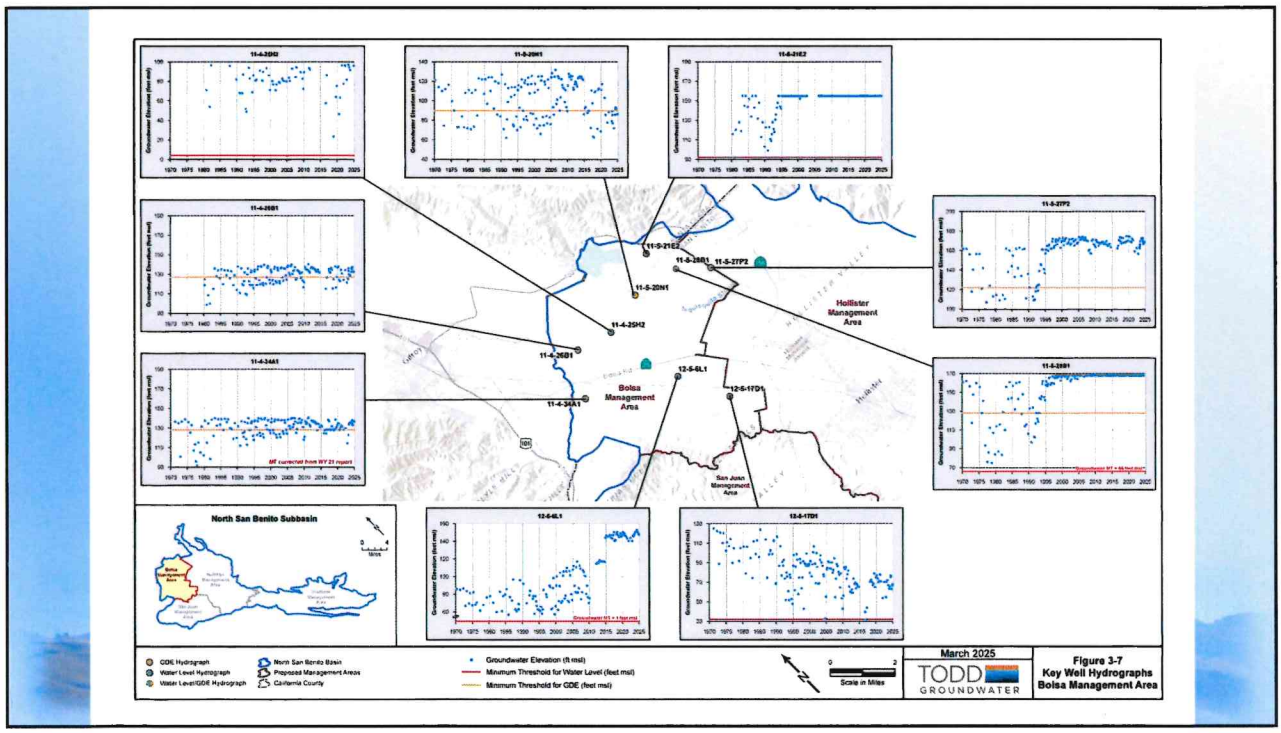
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11-5-13D1
12-6-6L4
11-5-35G1
12-5-3B1
12-5-34N1
12-5-34P1
13-5-11E1
13-5-13F1
13-6-19K1
Hollister Management Area
Bolsa Management Area
San Juan Management Area
Southern Management Area
North San Benito Subbasin
March 2025
TODD GROUNDWATER
Figure 3-5
Key Well Hydrographs
Hollister Management Area

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Boise Management Area
Hollister Management Area
San Juan Management Area
12-4-35A1
13-5-6L1
12-4-17L3J
12-4-21M1
12-4-26G1
12-4-35A1
12-4-17L3J
12-4-21M1
12-4-34H1
13-4-1K1
13-4-3H1
Dobler
San Benito County
North San Benito Subbasin
12-4-34H1
13-4-3H1
GDE Hydrograph
Water Level Hydrograph
Water Level/GDE Hydrograph
Key Wells no longer monitored
North San Benito Basin
Proposed Management Areas
California County
Groundwater Elevation (ft msl)
Minimum Threshold for Water Level (feet msl)
Minimum Threshold for GDE (feet msl)
Scale in Miles
March 2025
TODD GROUNDWATER
Figure 3-6
Key Well Hydrographs
San Juan Management Area

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11-5-21E2
11-5-20R1
11-5-27P2
11-5-20N1
11-4-25H2
11-4-26B1
11-4-34A1
12-5-6L1
12-5-17D1
Hollister Management Area
Boise Management Area
San Juan Management Area
North San Benito Subbasin
12-5-6L1
12-5-17D1
GDE Hydrograph
Water Level Hydrograph
Water Level/GDE Hydrograph
North San Benito Basin
Proposed Management Areas
California County
Groundwater Elevation (ft msl)
Minimum Threshold for Water Level (feet msl)
Minimum Threshold for GDE (feet msl)
Scale in Miles
March 2025
TODD GROUNDWATER
Figure 3-7
Key Well Hydrographs
Boise Management Area

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San Benito County Water District
Agenda Transmittal

Agenda Item: 11

Meeting Date: April 30, 2025

Submitted By: Brett Miller

Presented By: Brett Miller

Agenda Title: Consider Extending the Contract for one additional year (Fiscal Year 2024-2025) with McGilloway, Ray, Brown, & Kaufman for auditing services

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Description:

In January 2020, the District executed a contract with McGilloway, Ray, Brown & Kaufman for financial statement auditing services. The contract and the auditor's engagement letter covered fiscal years 2020, 2021, and 2022. The GFOA's best practices state the benefit an agency gains from having the same auditing firm, as both sides are familiar with the unique transactions of that entity. GFOA does recommend periodically going through the RFP process to compare auditors. In July of 2024, due to staffing changes the District experienced at that time, staff and the Finance Committee recommended using the current auditor for an additional year and then to go through the RFP process for auditor comparison which the Board approved.

Per California Government Code section 12410.6, "a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive years." The restriction requires the District to employ a public accounting firm with a different lead audit partner after the sixth consecutive year.

In order to allow for ample time for staff to implement a new ERP system and to both complete the audit for Fiscal Year 2024-2025 and to prepare an RFP for auditor comparison, staff and the Finance Committee are recommending using the current auditor, McGilloway, Ray, Brown & Kaufman, for one more year and then sending out the RFP later this year.

Prior Committee or Board Action:
Finance Committee Meeting April 22, 2025

Financial Impact: __X__ Yes _____ No

Funding Source/ Recap:
Contract Services Accounting budget

Material Included for Information/Consideration:
Finance Committee Recommendation
2025 Audit Engagement Letter

Recommendation:
Approval of Contract with McGilloway, Ray, Brown & Kaufman for one year (Fiscal Year 2024-2025) and authorize General Manager to sign contract.

Action Required: _____ Resolution _____ Motion _____Review

Board Action

_____Resolution No.___ Motion By_____ Second By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

BOARD AGENDA MEMO

DATE: April 22. 2025

TO: Board of Directors

FROM: Finance Committee (Tonascia/Freeman)

SUBJECT: Consider Recommending the Board Extend the Contract for one additional year (Fiscal Year 2024-2025) with McGilloway, Ray, Brown, & Kaufman for auditing services

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The Finance Committee met on April 22, 2025 and staff reviewed the proposal to extend the contract for one additional year (Fiscal Year 2024-2025) with McGilloway, Ray, Brown & Kaufman.

The Finance Committee recommends the Board Extend the Contract for one additional year (Fiscal Year 2024-2025) with McGilloway, Ray, Brown, & Kaufman for auditing services.

Director Tonascia

Director Freeman

McGilloway | Ray
Brown | Kaufman
ACCOUNTANTS AND CONSULTANTS

2511 Garden Road
Suite A180
Monterey, CA 93940
831-373-3337
Fax 831-373-3437

379 West Market Street
Salinas, CA 93901
831-424-2737
Fax 831-424-7936

April 16, 2025

San Benito County Water District
30 Mansfield Road
Hollister, CA 95024

Dear Board of Directors,

You have requested that we audit the financial statements of the business-type activities and aggregate fund information of San Benito County Water District, as of June 30, 2025, and for the year then ended, and the related notes to the financial statements, which collectively comprise San Benito County Water District's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal award programs for the period ended June 30, 2025. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards,* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and *Government Auditing Standards*, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America require that certain supplementary information such as Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers

it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedule of the District's Retirement Plan's Proportionate Share of Net Pension Liability and Related Ratios
- Schedule of the District's Pension Plan Contributions
- Schedule of Changes in the District's Net OPEB Liability and Related Ratios
- Schedule of the District's OPEB Contributions

Supplementary information other than RSI will accompany San Benito County Water District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Schedule of Net Position by Zone
- Schedule of Revenues, Expenses and Changes in Net Position by Zone

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

- Introductory Section
- Statistical Section

In connection with our audit of the basic financial statements, we will read the other additional information and consider whether a material inconsistency exists between the other additional information and the basic financial statements, or the other additional information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other additional information exists, we are required to describe it in our report.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and, if applicable, in accordance with any state or regulatory audit requirements. As part of an audit of financial statements in accordance with GAAS and, in accordance with *Government Auditing Standards,* and/or any state or regulatory audit requirements, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will

communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Benito County Water District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America and, if applicable, in accordance with any state or regulatory audit requirements. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of San Benito County Water District's basic financial statements. Our report will be addressed to the Board of Directors of San Benito County Water District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of San Benito County Water District's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and, in accordance with *Government Auditing Standards,* and/or any state or regulatory audit requirements, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and, performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be

necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs, and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;

12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
    a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including the disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
    b. Additional information that we may request from management for the purpose of the audit;
    c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence;
    d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
    e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited

financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

With respect to any nonattest services we perform,

At the end of the year, ended June 30, 2025, we agree to perform the following:

- Assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you.

We will not assume management responsibilities on behalf of San Benito County Water District. However, we will provide advice and recommendations to assist management of San Benito County Water District in performing its responsibilities.

San Benito County Water District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the AICP.
- The nonattest services are limited to the bookkeeping services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Other

Jacinto Acosta Bernal is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising McGilloway, Ray, Brown & Kaufman's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

We estimate that our fees for these services will be:

Schedule of Fees for the Year Ended June 30,	**2025**
Audit of Basic Financial Statements	
Audit	$ 31,500
Preparation of Basic Financial Statements	4,000
Technology & Client Support Fee	1,775
Total Audit of Basic Financial Statements	37,275
Single Audit	
Single Audit - Major Program 1	11,000
Technology & Client Support Fee	550
Total Single Audit	11,550
Total Audit of Financial Statements & Single Audit	**$ 48,825**

The technology and client support fee supports our continuous investment in technology and innovation including the protection of your data. In addition, you will be billed for time spent on completing the appropriate sections of the Data Collection Form based on our standard billing rates. Currently, our rates range from $135 per hour for clerical to $425 per hour for partners. You will also be billed for travel costs and unanticipated incidentals, as applicable. You will receive the final audited financial statements in one bound copy as well as an electronic (PDF) version. If you would like additional bound copy versions printed for you, the fee will be based on time and materials.

Our fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use San Benito County Water District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Our invoices for these fees will be rendered each month as work progresses (40% at planning, 40% at field work testing, and 20% at completion) and are payable on presentation.

The fee estimate will be subject to adjustments based on unanticipated changes in the scope of our work and/or the incomplete and untimely receipt by us of the information on the client request list such as:

- Timely responses to our inquiries
- Timely completion and delivery of client assistance requests
- Timely communication of all significant accounting and financial reporting matters
- The assumption that unexpected circumstances will not be encountered during the engagement
- Material changes in current or prior period financial reporting
- Multiple adjustments to the financial statements
- Accounting assistance outside the scope of the audit (e.g., researching accounting topics, assistance with other accounting matters, etc.)

These fees shall be in addition to the above quoted fee for audit services. All billings for additional audit fees or services will be billed as these services are provided at our standard billing rate in effect at the time services are rendered.

Accounts past due over 30 days are considered delinquent and will be subject to an annual finance charge of twelve percent (12%), or a monthly rate of one percent (1%). There will be a minimum finance charge of $1.00. Payments received on account will first be credited against any delinquency charges. Further, we will cease performing services on delinquent accounts if the account becomes 60 days or more overdue and services will not be resumed until your account is paid in full. All expenses incurred to collect past due accounts, including collection fees will be added to any amount due. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

If any dispute arises among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. In agreeing to arbitration, we both acknowledge that in the event of a dispute, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentation to us.

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you concerning the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

The audit documentation for this engagement is the property of McGilloway, Ray, Brown & Kaufman and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of McGilloway, Ray Brown & Kaufman's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Our firm subscribes to the AICPA Peer Review program, mandated by the California Board of Accountancy for all California licensed firms. As part of that program this engagement could be selected for review. If selected, we will retain the strictest confidentiality rules.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

McGilloway, Ray, Brown & Kaufman

McGilloway, Ray, Brown & Kaufman

RESPONSE:

This letter correctly sets forth our understanding.

San Benito County Water District

Acknowledged and agreed on behalf of San Benito County Water District by:

Signature	Title
Name	Date

San Benito County Water District
Agenda Transmittal

Agenda Item: **12**

Meeting Date: April 30, 2025

Submitted By: David Macdonald, P.E.

Presented By: David Macdonald, P.E.

Agenda Title:
Consider Awarding a Contract to Corrpro Companies, Inc for Installation of an Impressed Current Cathodic Protection System at the Lessalt Water Treatment Plant and Authorizing the General Manager to sign contract (NTE $144,000)

Detailed Description:
The Lessalt Water Treatment Plant was built in 2001 to treat surface water from the San Luis Reservoir and San Justo Reservoir and serves the City of Hollister and Sunnyslope County Water District. In order to meet regulatory water quality requirements, it was upgraded in 2013. This treatment plant is owned by San Benito County Water District (SBCWD) and operated by Sunnyslope County Water District.

In 2019, SBCWD had four sacrificial anodes installed on four tanks at the Lessalt Water Treatment Plant. A recent inspection showed that those sacrificial anodes were totally consumed, putting our tanks at risk to corrosion. These sacrificial anodes typically have a lifespan of 25 years. To replace these anodes, it would cost approximately $8,000-$10,000 per anode. In order to continue this method of corrosion protection, SBCWD would incur a continuous cost of $50,000 every 5 years for replacing anodes. Corrpro Companies, Inc proposes to install an impressed current system. This system involves pushing electric currents through the tanks that deflects possible corrosion. This would have a larger initial cost as compared to periodically replacing the sacrificial anodes, but is built to prevent corrosion indefinitely and will last longer than the sacrificial anode method that we used previously and will therefore be more cost-effective.

Sunnyslope County Water District, as the contract operator, solicited quotes from various Corrosion Engineering firms. Eight firms were contacted, however, only two firms provided quotes and the other six firms were unresponsive.

Financial Impact: _____X_____Yes _____ No

Two (2) quotes with the following results:

Bidder	**Total**
CorrPro Companies, Inc	$144,000.00
Acuren Inspection Inc	$457,685.00

Corrpro Companies, Inc is a reputable Corrosion Engineer Firm that has assisted SBCWD in maintaining the Hollister Conduit which uses an impressed current system to prevent corrosion. Corrpro is also familiar with the Lessalt Treatment Plant as it installed the existing corrosion control system.

Staff recommends to contract with Corrpro Companies, Inc to install a new impressed current cathodic protection system on the GAC/Greensand tanks for $144,000.00.

Funding Source/ Recap:
600-1451-0602-110-00 – Lessalt Water Treatment Plant

This item was not budgeted. However, sufficient funds exist in the capital replacement reserve to cover these costs, which will ultimately be recovered from the City of Hollister and Sunnyslope.

Environmental Determination:
The project consists of installation of a structure for maintenance reasons and does not constitute an expansion of use. It is therefore categorically exempt from CEQA per California Code of Regulations Title 14 Section 15301 relating to existing facilities.

Material Included for Information/Consideration:
1. Quotes
2. Professional Services Contract

Recommendation:
Staff recommends the Board consider awarding a contract in the amount of $144,000to Corrpro Companies, Inc for the installation of a new impressed current cathodic protection system on the GAC/Greensand Tanks at Lessalt Water Treatment Plant.

Action Required: _____ Resolution ___X_____ Motion _____Review

Board Action

____Resolution No._____ Motion By_____ Second By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

SAN BENITO COUNTY WATER DISTRICT
PROFESSIONAL SERVICES CONTRACT

THIS AGREEMENT, made and entered into this 30th day of April, 2025 , by and between the San Benito County Water District, ("District,") and Corrpro Companies, Inc., ("Consultant").

1. Description of Project: District desires to undertake a establish effective cathodic protection to the interiors of five tanks at the Lessalt Water Treatment Plant ("the project") and to engage Consultant to provide the required professional services relating to the project.

2. Scope of Services - Basic; Completion: Consultant shall perform those basic services in connection with the project as are set forth more particularly in EXHIBIT "A" entitled "SCOPE OF CONSULTANT SERVICES - BASIC, COMPLETION SCHEDULE" and shall complete said services in accordance with the completion schedule for them incorporated in said Exhibit.

3. Scope of Services - Additional, Completion Schedule: It is understood by District and Consultant that it may be necessary, in connection with the project, for Consultant to perform or secure the performance of services other than those set forth in EXHIBIT "A". In each such instance, Consultant shall advise the District, in advance and in writing, of the need for such additional services, their cost and the estimated time required to perform them (if applicable). Consultant shall not proceed to perform any such required additional services until District has determined that such service is beyond the scope of the basic services to be provided, is required, and has given written authorization to perform or obtain it. Each additional service so authorized shall constitute an amendment to this Agreement, shall be identified and sequentially numbered as "Additional Consultant Service Order No. 1" and so forth, shall be subject to all of the provisions of this Agreement, and shall be attached as EXHIBIT "D" entitled "SCOPE OF CONSULTANT SERVICES - ADDITIONAL; COMPLETION SCHEDULE."

4. Changes to Scope of Work - Basic Services: District may at any time and, upon a minimum of ten (10) days' written notice, modify the scope of basic services to be provided under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify District in writing. Upon agreement between District and Consultant as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by District and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

5. Compensation; Retention: Consultant shall be compensated for services rendered to District pursuant to this Agreement periodically in the amounts, manner and in accordance with the payment schedule as set forth in EXHIBIT "B" entitled "COMPENSATION." Amounts due to Consultant from District for services rendered shall be evidenced by the submission to District by Consultant of an invoice, prepared in a form satisfactory to District, setting forth the amount of compensation due for the period covered. Invoices, including the paid invoices of any

subconsultants shall, at a minimum set forth the hours and hourly rates of each individual charged to the Project for the invoice period. Compensation shall not include the cost of executive, administrative and other personnel whose time is not directly identifiable to the Project. Each such invoice shall be forwarded to District so as to reach it on or before the fifteenth (15th) day of the month next following the month or months, or other applicable period, for which the services invoiced were provided. All such invoices shall be in full accordance with any and all applicable provisions of this Agreement. District will make payment on each such invoice within thirty (30) days of its receipt, provided however that if Consultant submits an invoice which is incorrect, incomplete, or not in accordance with the provisions of this Agreement, then District shall not be obligated to process any payment to Consultant until a correct and complying invoice has been submitted.

6. Responsibility of Consultant: By executing this Agreement, Consultant warrants to District that Consultant possesses, or will arrange to secure from others, all of the professional capabilities, experience, resources and facilities necessary to provide to District the services contemplated under this Agreement. Consultant further warrants that it will follow the highest current, generally accepted professional care, skill, diligence and practices to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding this project for which services are rendered under this Agreement and that the Consultant shall, at no cost to the District, re-perform services which fail to satisfy the foregoing Standard of Care.

7. Responsibility of District: To the extent appropriate to the project contemplated by this Agreement, District shall:

7.1 Assist Consultant by placing at its disposal all available information pertinent to the project, including previous reports and any other relevant data.

7.2 Guarantee access to and make all provision for Consultant to enter upon public and private property as required for Consultant to perform its services.

7.3 Examine all studies, reports, specifications, proposals and other documents prepared and presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the progress of the work by Consultant.

7.4 Designate in writing a person to act as District's representative with respect to work to be performed under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define District's policies and decision with respect to materials, equipment, elements and systems pertinent to Consultant's services.

8. Indemnification: Consultant shall hold District, its officers, boards and commissions, and members thereof, its employees (collectively "District"), harmless of and free from the negligent acts, errors and omissions of Consultant arising out of its performance of the services provided under this Agreement. Should District be named in any suit, or should any claim be

made against District by suit or otherwise arising out of this Agreement, or Consultant's negligent acts, errors and omissions in its performance of the services provided for by this Agreement, Consultant shall defend and indemnify the District for any judgment rendered against District or by any sums paid out in settlement or otherwise, but only to the extent caused by the negligent act, error or omission in the rendering of services under this contract.

9. Insurance: During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense the following insurance coverage:

9.1 Workers' Compensation Insurance to cover its employees, and Consultant shall require all contractors and subcontractors similarly to provide Workers' Compensation Insurance as required by the Labor Code of the State of California for all of the subcontractors' employees. Each Workers' Compensation policy shall be endorsed with the provision that it will not be canceled or altered without first giving thirty (30) days prior notice to the District by certified or registered mail.

9.2 Public Liability Insurance including personal injury and property damage insurance for all activities of the Consultant and its contractors and subcontractors arising out of or in connection with this contract, written on a comprehensive general liability form including, but not limited to, Broad Form Property Damage, blanket contractual, products liability and completed operations, hazards, vehicle coverage and non-owned auto liability coverage in an amount not less than ONE MILLION DOLLARS ($1,000,000) combined single limit personal injury and property damage for each occurrence.

9.3 Professional Liability Insurance Covering Errors and Omissions. The limits of coverage shall be no less than ONE MILLION DOLLARS ($1,000,000) with a provision for no more than $25,000 deductible. Consultant may not disclaim responsibility or avoid liability for the acts or omissions of its subcontractors or other professional consultants.

9.4 Certificates of Insurance and properly executed endorsements in a form acceptable to the District Counsel evidencing the coverage required by the clauses set forth above shall be filed with the District at the time of execution of this agreement. Each such policy shall be endorsed with the following language:

(1) The San Benito County Water District is named as additional insured for all liability arising out of the operations by or on behalf of the named insured, and this policy protects the additional insured, its officers, agents, and employees against liability for personal and bodily injuries, deaths or property damage or destruction arising in any respect, directly or indirectly, in the performance of the contract.

(2) The insurance provided is primary and no other insurance held or owned by the District shall be called upon to contribute to a loss.

(3) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though

separate policies had been issued to each insured.

(4) The coverage provided by this policy shall not be canceled, non-renewed, or substantially reduced in amount or scope, without thirty (30) days prior to written notice given to the District by certified mail.

(5) All rights of subrogation are hereby waived against the District, its officers and employees when acting within the scope of their appointment or employment.

10. Confidentiality: All District information disclosed to Consultant during the course of performance of services under this Agreement shall be treated as confidential and shall not be disclosed to any other persons or parties except as authorized by District, or required by law.

11. Conflict of Interest: Consultant warrants that neither Consultant, nor any of its employees, agents or subcontractors, have a conflict of interest with respect to the work to be performed under this Agreement, nor shall such individuals, during this term of this Agreement, acquire any interest which would conflict in any manner with the performances of services hereunder.

12. Nondiscrimination: During the performance of this Agreement, Consultant will not discriminate against any employee or applicant for employment because of race, religion, creed, color, national origin, sex or age. Consultant will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, creed, color, national origin, sex or age.

13. Independent Contractor: District and Consultant agree that the relationship between them created by this Agreement is that of an employer-independent contractor. Consultant shall be solely responsible for the conduct and control of the work performed under this Agreement. Consultant shall be free to render professional consulting services to others during the term of this Agreement, so long as such activities do not interfere with or diminish Consultant's ability to fulfill the obligations established herein to District.

14. Commencement of Services: Consultant shall proceed with the project upon execution of this Agreement by the parties.

15. Notice to Proceed; Progress; Completion: Upon execution of this Agreement by the parties, District shall give Consultant written notice to proceed with the work. Such notice may authorize Consultant to render all of the services contemplated herein, or such portions or phases as may be mutually agreed upon. In the latter event, District shall, in its sole discretion, issue subsequent notices from time to time regarding further portions or phases of the work. Upon receipt of such notices, Consultant shall diligently proceed with the work authorized and complete it within the agreed time period.

16. Ownership of Documents: Title to all documents, drawings, specifications, and

the like with respect to work performed under this Agreement shall vest with District at such time as District has compensated Consultant, as provided herein, for the services rendered by Consultant in connection with which they were prepared.

17. Designation of Key Personnel: The individuals specified in the attached EXHIBIT "C" shall provide the services set forth herein, and shall be the persons primarily in charge of such work. Prior to the provision of work by any other individuals on this project, such other individuals shall first be approved, in writing, by the District Manager or his designee.

18. Mistake of Fact: Each party understands that if any fact with respect to any matter covered by this Agreement is found hereafter to be other or different from the facts now believed by that party to be true, such party expressly accepts and assumes the risk of such possible differences in fact and agrees that this Agreement shall be in all respects effective and not subject to termination or rescission by reason of any such difference in facts.

19. Term; Termination: The term of this Agreement shall commence upon District's issuance to Consultant of a notice to proceed for all or a portion of the work, as herein above provided, and shall terminate upon District's acceptance and payment for all or such portion of the work as was authorized by such notice, including any and all retention. Notwithstanding the foregoing, District may, in its sole discretion, terminate this Agreement at any time and for any reason whatsoever by giving at least ten (10) days prior written notice of such termination to Consultant. In this latter event, Consultant shall be entitled to compensation for all services rendered and work performed for District to the date of such termination.

20. General Provisions:

20.1 Access to Records: Consultant shall maintain all books, records, documents, accounting ledgers, and similar materials relating to work performed for District under this Agreement on file for at least one (1) year following the date of final payment to Consultant by District. Any duly authorized representative(s) of District shall have access to such records for the purpose of inspection, audit and copying at reasonable times, during Consultant's usual and customary business hours. Consultant shall provide proper facilities to District's representative(s) for access and inspection. Consultant shall be entitled to reasonable compensation for time and expenses relate to such access and inspection activities, which shall be considered to be an additional service to the District, falling under the provisions of SECTION 4 herein above.

20.2 Assignment: This Agreement is binding on the heirs, successors, and assigns of the parties hereto and shall not be assigned by either District or Consultant without the prior written consent of the other. Any attempt by Consultant to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

20.3 Compliance with Laws, Rules, Regulations: All services performed by Consultant pursuant to this Agreement shall be performed in full compliance with all

applicable federal, state, and District laws, including any rules, standards or regulations promulgated thereunder.

20.4 Exhibits Incorporated: All Exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference.

20.5 Integration; Amendment: This Agreement represents the entire understanding of District and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in it. This Agreement may not be modified or altered except by amendment in writing sign by both parties.

20.6 Waiver/Validity: Consultant agrees that waiver by District of any one or more of the conditions of performance under this Agreement shall not be construed as waiver of any other condition of performance under this Agreement. The acceptance by the District of the performance of any work or services by Contractor shall not be deemed to be a waiver of any term or condition of this Agreement.

21. Jurisdiction: District and Consultant agree that the law governing this Agreement shall be that of the State of California. Any suit brought by either party against the other arising out of the performance of this Agreement shall be filed and maintained in the Municipal or Superior Court of the County of San Benito. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

22. Attorney's Fees: In the event any dispute between the parties hereto arising from or relating to this Agreement shall result in litigation, the prevailing party shall be entitled to all reasonable costs, including, but not limited to, actual attorney's fees.

23. Notice: Any notices, required to be given pursuant to this Agreement, shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service, addressed to the parties as follows:

a. To District : San Benito County Water District
30 Mansfield Road
Hollister, CA 95023

b. To Consultant: Corrpro Companies, Inc.
1055 West Smith Road
Medina, OH 44256

Nothing hereinabove shall prevent either District or Consultant from personal deliver of any such notices to the other party.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first above written.

District:	CONSULTANT:
By: _____	By: _____
GENERAL MANAGER Title	_____ Title
_____ Date	_____ Date

Medina Branch
1055 West Smith Rd. Medina, OH 44256
330.723.5082 | www.Aegion.com

March 11, 2025

Alvin Do, EIT
Assistant Engineer
Sunnyslope County Water District
3570 Airline Hwy, Hollister, CA 95023
Phone: (714) 660-3690
alvin@sunnyslopewater.org

Proposal for Cathodic Protection Services
Cathodic Protection Design and Installation of Five (5) Water Filter Tanks
Lessalt Treatment Plant – Hollister, CA

Corrpro is pleased to provide the following proposal to establish effective cathodic protection to the interiors of the following five tanks at Lessalt Treatment Plant:

- 3 ea. Adsorber Tanks
- 2 ea. Roughing Tanks

In 2019, Corrpro equipped each of these tanks with a galvanic cathodic protection system consisting of four (4) 20-pound high-potential magnesium anodes bolted to the upper walls of each tank. The intent was for these anodes to furnish effective cathodic protection for 25 years. A recent visual inspection revealed the anodes were totally consumed after approximately 5 years.

The 2019 design was based on the following general parameters:

- Carbon steel surfaces are coated, with assumed 2% bare area exposed to the water.
- Water resistivity is 3,000 ohm-cm.
- CP Current density required is 4 mA/ft^2 of bare carbon steel area.

New information recently provided to us is summarized below:

- Actual water resistivity is 1,626 ohm-cm (based on the reported surface water conductivity of 615 µmho/cm in the Sunnyslope Water District 2023 Annual Water Quality Report).
- Drawings and photos disclosed considerable uncoated stainless-steel piping and mounting brackets:
  - 14" Upper Influent Distributer
  - 4" Surface Wash Header
  - 2" pipe risers to UniSweeps
  - 2" UniSweeps (3 ea)
  - 14" Underdrain pipe and multiple 2-inch laterals (Adsorber Tanks)
  - 8" Underdrain pipes (2 ea.) and multiple 2-inch laterals (Roughing Tanks)

- In addition to the consumed anodes, the photos revealed significant corrosion on the steel straps used to mount the anodes to the vessel wall. This suggests an accelerated corrosion rate on carbon steel due to the presence of dissimilar metals (stainless-steel) in the vessel.
- The condition of the coating on the carbon steel vessel walls appears to be good. No corrosion was noted on the vessel walls at this time.

- Roughly half of each tank's volume is filled with Granular Activated Carbon (GAC). The electrical properties of this media will need to be confirmed.
- The lower portion of the tank (below the GAC media) is encased in concrete. In the absence of cathodic protection, corrosion rates just above the concrete could be increased due to differential pH levels.

The combined effect of the lower water resistivity, and the presence of the uncoated stainless steel is the primary cause of the shortened anode life.

In the absence of cathodic protection, the corrosion cell is between the stainless-steel and carbon steel, with the stainless-steel being the cathode, and the carbon steel being the anode.

Given the surface areas of each metal, the galvanic voltage difference between the two metals, and the relatively low-resistivity water, corrosion of the carbon steel (at coating faults) can be significant, approaching 15 mils per year (MPY).

As was previously discussed, coating the stainless-steel would reduce the galvanic corrosion due to dissimilar metals, but because portions of the stainless-steel piping have openings exposing the interior of the piping to the electrolyte, the remaining effect from the stainless steel (if coated) is still significant.

While part of our proposed scope will be a thorough assessment of surface areas, resistivities (in specific zones), and cathodic protection design calculations, we have performed some initial calculations that suggest a galvanic anode system will not be capable of 100% reversing the galvanic current flow between the stainless-steel and carbon steel. Even if you elect to coat the exterior portions of the stainless-steel piping and support brackets, we cannot ensure a galvanic CP system will be able to fully mitigate corrosion of the carbon steel. This is further complicated by the limitations in sizes of galvanic anodes meeting the NSF-61 certifications. The largest available NSF-61 anode is only 2.5-inches in diameter. Without coating the stainless-steel, they would have a similar life to the anodes installed in 2019 and would not provide enough current to guarantee effective cathodic protection. With the stainless-steel coated, the anode life would improve, but the level of cathodic protection would still be less than desired.

For this reason, we have elected not to quote on the galvanic CP option. The following quote is for impressed current cathodic protection (ICCP) only.

An ICCP system will be fully capable of providing effective cathodic protection to all internal metallic components within the tanks, with an anode-life in well excess of 25 years. While current requirements are lower if you coat the stainless-steel, the ICCP system will be able to protect the vessels whether the stainless-steel is coated or bare. The same anode system would be used. The rating of the rectifiers will be higher if the stainless-steel is left uncoated, however, the additional price of larger capacity rectifiers is minimal and, in our opinion, will not justify the cost of coating the stainless-steel.

SCOPE OF WORK

- Corrpro will perform laboratory testing on the conductivity / resistivity of the Calgon Carbon "Filtrasorb 300" Granular Activated Carbon (GAC) filter media being used. We were unable to find data on electrical conductance of this material. Substances containing carbon can vary significantly from "very conductive" to "low conductivity", depending on particle size, compression, presence of graphite, etc. We feel it is important to test this material ourselves rather than estimating its electrical properties. We request two samples (~ 1 quart each) be provided. One sample should be new, unused, while the other sample, if

possible, should be removed from a tank that has been in service for some time. Each container can be sent to our Malvern, PA facility:

Corrpro Companies, Inc.
470 Lapp Road
Malvern, PA 19355
Attn: Mark J. Zebley, Regional Engineering Manager
Mobile: 484.577.0513
Email: mzebley@azuria.com

- Corrpro will perform design calculations and prepare design drawings for an impressed current system for each tank. Design calculations will be based on resistivity of the water, resistivity of the GAC, an assumed resistivity of the concrete at the bottom of each tank, surface areas of carbon steel and stainless steel in each zone and estimated current requirements. The design calcs will use an estimated carbon steel coating efficiency of 98% (2% bare), which seems like a conservatively high estimate based on the noted condition of the tank during the recent inspection. For the option of coating the stainless-steel, we'll also assume the stainless-steel piping exterior's coating efficiency will be 98%, except of course for the underdrain piping in each tank, which is encased in concrete, and will remain uncoated. We will also factor in the interior surface area of piping that has perforations or openings that will allow CP current to enter. The interior surface areas will be adjusted (reduced) in accordance with the added resistance through which CP current will flow (through the column of water inside the piping between openings).

- Upon approval of the design, Corrpro will provide the cathodic protection materials. A preliminary list of materials is as follows:

- Corrpro will provide the following materials for this project.

BILL OF MATERIALS	
QTY	DESCRIPTION
5 ea.	Cathodic Protection Rectifier, rated at 120 VAC single phase input and 30V, 10A DC output. Rectifier shall be automatically potential-controlled to maintain a pre-set tank to reference electrode potential.
250 ft.	NFS-61 certified copper cored mixed metal oxide / titanium wire anode, 0.062-inch diameter with #8 AWG HMWPE lead wire. (Each tank to use two 25-ft lengths of anode, installed horizontally in the upper portion of the tanks (above the UniSweep devices).
5 ea.	NFS-61 certified reference electrode (copper/copper sulfate), with #8 AWG HMWPE lead wire.
5 ea.	Pressure entrance gland/fitting (through tank wall) to permit anode and electrode lead wires to enter/exit tank.
As Req'd	Wire, #8 and #12 AWG, with THHN insulation

- Corrpro will install the cathodic protection in accordance with the CP design. Our work includes internal anode and electrode installation, as well as external rectifier mounting and installation of DC wiring and conduit from each tank to each corresponding rectifier. Installation of AC supply to

rectifiers will not be performed by Corrpro. Corrpro will not perform coating of stainless-steel piping (if that option is selected).

- Following installation of the CP systems, following placing the filters back in service, Corrpro will commission each of the five cathodic protection systems, and submit a report discussing the testing, the data, and include recommendations for follow-up periodic surveillance of the systems to ensure continued effect operation.

The pricing for these materials (in the PRICING section below) should be considered budgetary at this time, and will be subject to change, based on the actual design.

PRICING SUMMARY

Corrpro will provide the above items for the below pricing:

PRICING TABLE				
ITEM	UM	PRICE	QTY	TOTAL
Lab Testing of GAC Samples	EA	$500	2	$1,000
Design Calculations and Drawings	LS	$13,000	1	$13,000
Materials (budgetary, pending final design)	LOT	$75,000	1	$75,000
Installation (includes misc. conduit & fittings not listed in Bill of Materials above	LS	$45,000	1	$45,000
Start-up/Commissioning	LS	$10,000	1	$10,000
Estimated Total:				**$144,000**

PRICING BASIS & QUALIFIERS

Corrpro's pricing is based on the following information:

1. The right of ingress, egress, and access to all properties necessary for completion of the work to be provided by others. Delays and costs associated with right-of-way or access problems will incur additional charges.
2. Pricing for installation labor is estimated and includes one (1) mobilization to and from Corrpro's Phoenix Branch. If additional mobilizations are required, they will be billed per the rates contained in the Corrpro 2025 Standard Rate Sheet.
3. Pricing is subject to current stock availability and may be adjusted accordingly. If any cost-determining factor used by Corrpro in pricing the anode increases—including, but not limited to, premiums, costs of additional metals (such as indium and silicon), raw material costs, and the imposition of new tariffs—Corrpro shall have the right to equitably adjust the price to fully account for such increases. Additionally, Corrpro reserves the right to review, modify, and update pricing at its sole discretion before accepting any purchase order.
4. Pricing does not include provisions for 120V/10amp/1 Phase/60 Hz AC input to the rectifiers. All AC work to connect rectifier units is to be provided by others.
5. Pricing does not include the welding/coating of anode support hardware (estimated 4 per tank). This work is to be completed by others.
6. Pricing does not include the welding of entrance penetration coupling (1 per tank) or rectifier unit mounting bracket (1 per tank). This work is to be completed by others.

7. Pricing does not include the cost to drain/refill the tanks, open/close any necessary sealed man-way hatches, or tank disinfection, if applicable.
8. Pricing is based on utilizing our non-union, non-prevailing wage personnel.
9. Any materials or additional material quantities not specifically listed in the above materials tables are excluded from this proposal and the associated pricing.
10. Any additional scope of work items requested, not included in Corrpro's proposal will be billed according to the rates contained in the 2025 Corrpro Standard Rate Sheet.
11. Any standby time that applies to work stoppages beyond Corrpro's control to include, but not limited to, customer directives, services provided by others, or access issues will be billed according to the rates contained in the 2025 Corrpro Standard Rate Sheet.
12. Corrpro shall not execute any work not outlined in this quote without a fully executed Change Order.
13. Sunnyslope County Water District is to supply a tax exemption and/or direct pay certificate if applicable.
14. Invoices payable to Corrpro will be net 30-days from date of receipt.
15. Corrpro's Pricing is valid for 30 days.

We appreciate the opportunity to submit this estimate. Please contact me at 216.346.6898 or via email at jpierce@azuria.com if you have any questions or require any further information regarding this estimate.

Best regards,

Joshua W. Pierce
Waterworks Manager II
Corrpro Companies, Inc.
East Division | 820 Lafayette Road | Medina, OH 44256

QUALITY ASSURANCE VERIFICATION		
Proposal Prepared By:	Joshua W. Pierce	Waterworks Manager
Approved By:	John Gilbert	Vice President - Operations

Medina Branch
1055 West Smith Rd. Medina, OH 44256
330.723.5082 | www.Aegion.com

Authorization Form

Corrpro Proposal No.: SO-00176895 **Proposal Issue Date:** March 11, 2025

Customer: Sunnyslope County Water District

Project Name/Number: Cathodic Protection Design of Five (5) Water Filter Tanks

Project Location: Lessalt Treatment Plant – Hollister, CA

Contract Type: Lump Sum

Estimated Amount: $144,000

Authorization Signature (legally binding): _____

Printed Name: _____ **Title/Position:** _____

Company Name: _____

Company Address: _____

Telephone No.: _____ **Date Signed:** _____

Purchase Order/Reference No. (please attach): _____

Invoicing Information:

Point of Contact: _____

Address: _____

Telephone No.: _____ **Fax No.:** _____ **Email Address:** _____

Medina Branch
1055 West Smith Rd. Medina, OH 44256
330.723.5082 | www.Aegion.com

rectifiers will not be performed by Corrpro. Corrpro will not perform coating of stainless-steel piping (if that option is selected).

- Following installation of the CP systems, following placing the filters back in service, Corrpro will commission each of the five cathodic protection systems, and submit a report discussing the testing, the data, and include recommendations for follow-up periodic surveillance of the systems to ensure continued effect operation.

The pricing for these materials (in the PRICING section below) should be considered budgetary at this time, and will be subject to change, based on the actual design.

PRICING SUMMARY

Corrpro will provide the above items for the below pricing:

PRICING TABLE				
ITEM	UM	PRICE	QTY	TOTAL
Lab Testing of GAC Samples	EA	$500	2	$1,000
Design Calculations and Drawings	LS	$13,000	1	$13,000
Materials (budgetary, pending final design)	LOT	$75,000	1	$75,000
Installation (includes misc. conduit & fittings not listed in Bill of Materials above	LS	$45,000	1	$45,000
Start-up/Commissioning	LS	$10,000	1	$10,000
Estimated Total:				**$144,000**

PRICING BASIS & QUALIFIERS

Corrpro's pricing is based on the following information:

1. The right of ingress, egress, and access to all properties necessary for completion of the work to be provided by others. Delays and costs associated with right-of-way or access problems will incur additional charges.
2. Pricing for installation labor is estimated and includes one (1) mobilization to and from Corrpro's Phoenix Branch. If additional mobilizations are required, they will be billed per the rates contained in the Corrpro 2025 Standard Rate Sheet.
3. Pricing is subject to current stock availability and may be adjusted accordingly. If any cost-determining factor used by Corrpro in pricing the anode increases—including, but not limited to, premiums, costs of additional metals (such as indium and silicon), raw material costs, and the imposition of new tariffs—Corrpro shall have the right to equitably adjust the price to fully account for such increases. Additionally, Corrpro reserves the right to review, modify, and update pricing at its sole discretion before accepting any purchase order.
4. Pricing does not include provisions for 120V/10amp/1 Phase/60 Hz AC input to the rectifiers. All AC work to connect rectifier units is to be provided by others.
5. Pricing does not include the welding/coating of anode support hardware (estimated 4 per tank). This work is to be completed by others.
6. Pricing does not include the welding of entrance penetration coupling (1 per tank) or rectifier unit mounting bracket (1 per tank). This work is to be completed by others.

ACUREN

Adsorber & Roughing Tanks – Internal CP Design and Installation

Proposal – Cathodic Protection Services

Issued To: **Sunnyslope County Water District**

Prepared By: **Acuren Inspection Inc.**

Issue Date: **2025-04-15**

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0	2025-04-15		MB	JK	First Issue	JK

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1 INTRODUCTION

Acuren Inspection Inc. (Acuren) is pleased to submit this proposal to Sunnyslope Country Water District (Sunnyslope) for the design and installation of internal cathodic protection (CP) systems of three (3) Adsorber and two (2) Roughing tanks in Hollister, CA. The proposal is for the provision of turnkey engineering design, material supply, installation, and commissioning services to upgrade the existing CP systems of these tanks to impressed current CP (ICCP) systems due to the early failure of galvanic anodes that were previously installed inside each tank. This proposal includes considerations for controlling corrosion on the internal, submerged surfaces of the tanks.

Appropriate materials and installation methods have been selected for this project based on reference information provided by Sunnyslope regarding the operation of the tanks. Material selection and quantities may change upon the completion of the full CP design report.

Side mounted flange ports will be required to install anodes and reference electrodes on the inside of the tanks and will also limit any cabling inside the tanks. Acuren will provide the mechanical design and drawing package for these flange ports as part of this project. The fabrication and installation of these flange ports will be outside of Acuren's scope and will be assumed to be completed by Sunnyslope prior to the installation of the CP systems.

Purchase Orders for Cathodic Protection Services are to be made out to **Acuren Inspection Inc.**

This proposal includes all known materials and services necessary to ensure the project conforms to Sunnyslope specifications and complies with all applicable regulations.

2 SCOPE OF WORK

Acuren has reviewed the historical reference material provided by Sunnyslope. It is understood that galvanic CP systems were previously installed for internal cathodic protection, however, the anodes were consumed much sooner than originally anticipated (depleted after 5 years compared to a 25-year design life). Based on the reference information provided, ICCP systems would be the preferred corrosion protection method going forward.

New ICCP systems will be designed for each of the five tanks, including an improved monitoring system and switch-mode power supplies to control the CP systems inside each tank. These ICCP systems will also include monitoring systems which will enable Sunnyslope to determine the effectiveness of the CP systems on a continuous basis through an online dashboard application. The ICCP systems will need to be installed while the tanks are taken out of service and drained.

A summary of the scope of work (SOW) and project elements is provided below:

1. Internal CP System Design and Mechanical Design
    a. Prepare detailed CP engineering design and specification reports for internal ICCP systems for all five subject tanks (3 Adsorber Tanks, 2 Roughing Tanks).
    b. As part of the design, an on-site design inspection is recommended to ensure all pertinent information is collected and the scope of installation is fully understood. This information will be used in the preparation of the design and specification reports.
        i. The on-site design inspection will include marking out locations of flange nozzles to be installed on the tank shell, junction box mounting locations, power supply mounting locations, AC power availability and cable routing, anode and negative cable routing, and any other installation details required.
    c. Prepare mechanical engineering design package for flange nozzles to be installed on the tank shells for anode and reference electrode mounting.
2. Procure and deliver the required materials to site.
3. Install the ICCP systems for five (5) tanks.
    a. Installation of flange-mounted anodes and reference electrodes inside the tanks.
    b. Installation of a junction box and switch-mode power supply for each tank.
    c. Routing of anode and reference electrode cables to junction box. Install positive header cable and reference cell header cable to power supply.
4. Commission the ICCP systems, provide a final report and monitoring instructions.

Table 1 – Scope of Work

Task	Details
Engineering Design	Current requirement calculations, number of anodes, number and location or flange ports to install, power supply size, material list, drawings. Conduct on-site design inspection.
Mobilization	Prepare Equipment, Conduct Pre-Job Meeting, Pre-Access Safety, Mobilize two (2) CP Technicians to site.
CP System Installation & Commissioning	Acuren technicians will install flange mounted anodes, cables, reference cells, junction boxes, and power supplies. As-found and as-energized potential measurements will be recorded to confirm adequate operation of the ICCP systems once installed and operating.
Prepare Deliverables	Process and analyze commissioning data, prepare as-built drawings and a detailed commissioning report.

Project meetings and reporting will be completed as listed below.

1. Project Meetings
    a. Kick-off meeting
    b. Closeout and report review meeting
2. Reporting
    a. Weekly and monthly budget and project updates
    b. Daily notifications (when required)
    c. Final report within 30 days of field work completion

2.1 RELATED EXPERIENCE

Acuren believes our cathodic protection service offering is superior for the following reasons:

- Efficiency in service delivery; our AMPP trained CP technicians are located across North America and have experience working on a wide variety of assets and facilities.
- Efficient and timely reporting, with all reports guaranteed within 30 days of project completion.
- Comprehensive CP material supply and installation services.

Some recent projects completed for related project work are listed below:

Table 2 – Related Project Experience

Client	Cathodic Protection Services			
	Indirect Inspections (CIS/DCVG/ACVG, DOC)	Engineering	Construction	Inspection
Yara North America Inc.	N/A	Yes	Yes	Yes
Hess Corporation	Yes	Yes	Yes	Yes
Marathon Pipe Line LLC	Yes	Yes	Yes	Yes
Plains Midstream	Yes	Yes	Yes	Yes
Procter & Gamble	No	Yes	Yes	Yes
Motiva Port Arthur	Yes	Yes	Yes	Yes
BPX Energy	Yes	Yes	No	Yes
Finley Resources	Yes	Yes	Yes	Yes
Enbridge/Spectra GTM	Yes	Yes	No	Yes
Enbridge Pipelines Inc.	Yes	Yes	Yes	Yes
Shell	Yes	Yes	No	Yes
ExxonMobil Pipelines	Yes	No	Yes	Yes
Domtar	Yes	Yes	No	No
DCP Midstream	Yes	Yes	Yes	Yes
Salt Creek Midstream	Yes	No	No	No

Client	Cathodic Protection Services			
	Indirect Inspections (CIS/DCVG/ACVG, DOC)	Engineering	Construction	Inspection
Gibson Energy	No	Yes	No	Yes
Tidewater Midstream & Infrastructure Ltd.	Yes	Yes	Yes	Yes
Island Energy	No	Yes	No	Yes
ONEOK	Yes	No	No	Yes
TC Energy	Yes	Yes	Yes	Yes
Valero	Yes	No	No	Yes

3 PROJECT DETAILS

Acuren used the Sunnyslope supplied project reference materials and applicable regulations to develop the Scope of Work. Upon project award, Acuren will generate a detailed task-oriented schedule; status updates will be discussed with the Sunnyslope project stakeholders on a weekly basis.

3.1 DETAILED METHODOLOGY

Acuren will abide by all Sunnyslope, State, municipal and other regulatory requirements. The project will be completed according to Sunnyslope and Acuren procedures. A full list of Standards and Procedures can be provided upon request.

3.2 RESOURCES

The project will be conducted through Acuren's cathodic protection department. All Acuren field personnel have had extensive experience representing client companies in the public domain and do so in a professional manner.

Acuren's experienced project team executes comprehensive CP programs for pipeline, tank, and facility assets across North America. The project will be managed by a PMP certified project manager and will have an AMPP CP certified project engineer assigned to the data analysis and reporting components of the project; the lead technician(s) will have a minimum of AMPP CP 1 designation and will meet or exceed any HSE and OQ training requirements.

Acuren's equipment for the project will meet the requirements as outlined in the scope of work. Acuren has a strong safety record with an in-house safety coordinator who sets project-specific safety reporting for each job. Acuren is COR certified and a member of ISNetworld.

3.3 DATA AND INFORMATION MANAGEMENT

Data management during these types of projects is critical. If the data is not managed properly, costly re-survey trips may occur. Our technicians record data digitally to minimize data loss.

Figure 1 illustrates how Acuren will manage the field data on a daily basis.

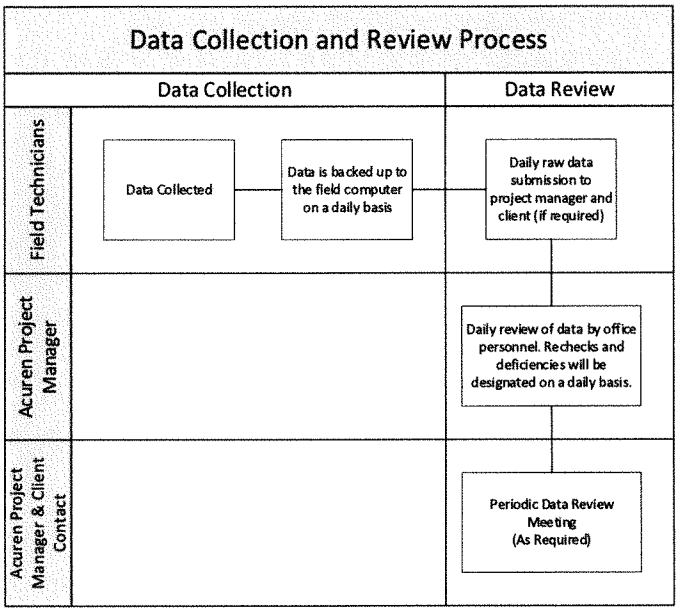


Figure 1 – Data Collection and Review Process

4 SCHEDULE

A preliminary project schedule has been provided in Table 3.

Table 3 – Proposed Timeline

Task	Estimated Timeline	Prerequisite/ Notes
Engineering Design	4-6 weeks	Executed PO and agreed upon Terms and Conditions
Material Supply	8-10 weeks	Materials to be ordered after submission and approval of Engineering Design report
CP System Installations	5 days (per tank) 25 days total	Execute CP installs after the receipt of all materials. AC Power will be required for the power supplies; it is assumed that Sunnyslope's electrical contractor will install the AC sources for the power supplies.
Commissioning Survey	5 days	Execute the commissioning survey to ensure adequate cathodic protection potentials are achieved.
Final Deliverables	30 days	Final commissioning report package to be provided within 30 days of field work completion.

5 COMPENSATION

Acuren's estimate to undertake the work on a time and materials basis can be found below in Table 4.

Table 4 – Time and Materials Cost Estimate

Service Description	Task	Scope Summary	Total
Internal CP System Design and Installation (5 Tanks)	CP Engineering and Mechanical Designs	• Design calculations • Material list and specifications • Design Drawings • ITP/QA/QC Package	$52,940.00
	CP Material Supply	• Procure and deliver project materials as per CP design bill of materials	$151,910.00
	CP System Installation	• Complete installation of CP equipment and materials • QA/QC documentation	$225,635.00
	Commissioning and Reporting	• Test and tune CP system • Prepare deliverables and as-builts • Provide periodic test forms and procedures	$27,200.00
Sub Total			**$457,685.00**

6 LIMITATIONS AND ASSUMPTIONS

This proposal includes the following limitations and assumptions:

- All prices are in US dollars and do not include any taxes if applicable.
- All required procedures and specifications have or will be provided to Acuren prior to project kick-off.
- Sunnyslope to provide Acuren with Site specific Work Permits in a timely manner and ensure continuous and unencumbered work succession can be maintained.
- Sunnyslope will identify to Acuren the communication guidelines and representative(s) for the project execution.
- Pricing is based on estimated time only; final invoicing will reflect actual time and materials based on the attached 2025 rate sheet. Work scope, progress, efficiency, proficiency will be evaluated on a weekly basis.
- Any on-site delays, delays caused by unforeseeable events, or standby time would be charged at $2,400.00 per day per 2-person crew.
- Acuren will provide a change order request notification for approval prior to the implementation of any work noted to be outside the original scope of work. The intent will be to ensure these infrequencies (if required) be submitted prior to work stoppage.
- Out of the ordinary and/or special inspection techniques/equipment as requested by Sunnyslope, and which would include specific job scope changes that have not been

incorporated or contemplated within the current scope of work would initiate a change order.

- Invoicing will be completed on a monthly basis; Acuren will provide invoice forecasting and backup as required.
- Sunnyslope will be responsible for the supply and installation of AC power for the switch-mode power supplies. Acuren will complete the mounting and installation of the power supplies and assist with cable terminations as needed.
- Sunnyslope will be responsible for the fabrication and installation of flange ports on all five (5) tanks. The quantity and install location of the flange ports will be provided by Acuren in the project design.

7 CONTRACTUAL

Notwithstanding this, Acuren reserves the right to exceed this referenced total amount in the event of, and Acuren will have no responsibility for, circumstances reasonably beyond its control (including, without limitation, the acts or omissions of the Company, its employees, agents or other contractors, sweating pipe, weather delays, flooding, presence of lead or asbestos, and environmental or archeological restrictions) that cause delays, damages, or increased cost of performance.

This document and all services and/or products provided in connection with this document and all future sales are subject to and shall be governed by the "Acuren Standard Service Terms" in effect when the services and/or products are ordered. THESE TERMS ARE AVAILABLE AT WWW.ACUREN.COM/SERVICETERMS, ARE EXPRESSLY INCORPORATED BY REFERENCE INTO THIS DOCUMENT AND SHALL SUPERSEDE ANY CONFLICTING TERMS IN ANY OTHER DOCUMENT (EXCEPT WHERE EXPRESSLY AGREED OTHERWISE IN THAT OTHER DOCUMENT).

8 CONFIDENTIALITY

All information received in connection with this proposal will be treated in the strictest confidence unless the information is readily available in the public domain.

This proposal contains business sensitive to Acuren and is being transmitted as confidential. No part of the proposal may be duplicated or used or disclosed for any other purposes.

9 CONCLUSION

Acuren is confident that the proposed Scope of Work, Methodology, Resource Utilization, Data Management, and Deliverables will meet the requirements of the Internal CP Design and Installation project as described in this proposal.

9.1 CONTACT INFORMATION

If there are any questions regarding this proposal or Acuren's services, please refer to the contact list below.

Operations Manager	VP, CP Services	CP US Eng. Manager
Jordan Kennedy	Mark Rowsell	Matthew Buchynski
jordan.kennedy@acuren.com	mark.rowsell@acuren.com	matthew.buchynski@acuren.com
936.900.4351	403.819.2492	587.217.0466

APPENDIX 1 – 2025 Rate Sheet

2025 Rate Sheet
Cathodic Protection (US - GSA)

14434 Medical Complex Dr. Suite #100
Tomball, TX 77377
Bus: 1 (800) 218-7450
cpservices@acuren.com

Employee Staff Class	ST Rate ($/Hr)	OT Rate ($/Hr)
Senior CP Technician	$ 139.00	$ 194.60
Intermediate CP Technician	$ 114.00	$ 159.60
Junior CP Technician	$ 94.00	$ 131.60
CP Field Support	$ 69.00	$ 96.60
Senior Engineer/Technologist	$ 169.00	$ 236.60
Intermediate Engineer/Technologist	$ 124.00	$ 173.60
Junior Engineer/Technologist	$ 99.00	$ 138.60
Project Manager	$ 139.00	$ 194.60
Project Controller	$ 99.00	$ 138.60
Document Control/Drafting	$ 94.00	$ 131.60

Equipment and Misc.	Rate/Notes
Vehicle Equipped for CP:	$139.00 / Day Includes basic tools safety supplies
Per Diem and Accommodations Rate:	US General Services Administration (GSA) or Department of Defense (DOD) Rates as Applicable by region
Mileage:	***Variable with USD PPG
All other disbursements and consumables:	Cost + 20%
Cathodic Protection Standard Equipment:	$200 / Day Includes calibrated testing equipment, consumables, CP specific tools, single current interrupter
Indirect Inspection Equipment (HawkEye):	$400 / Day Complete kit: EM Locator, High Accuracy GPS, Data logger, Oscilloscope, Probes, Meters, PDA, and Software

*Acuren reserves the right to change, modify and adjust its rates with or without prior notice.

**Payment Terms: Net 30 Days or as per contract.

Revised: 2025-01-28

***Mileage

US Fuel Price Per Gallon <$2.00	PPG <$2.00	Per Mile$1.25
US Fuel Price Per Gallon >$2.00	PPG>2.00	Per Mile$1.50
US Fuel Price Per Gallon >$3.00	PPG >$3.00	Per Mile$2.00
US Fuel Price Per Gallon >$4.00	PPG >$4.00	Per Mile$2.50
US Fuel Price Per Gallon >$5.00	PPG >$5.00	Per Mile$3.00
US Fuel Price Per Gallon >$6.00	PPG >$6.00	Per Mile$3.50

(Every dollar per gallon increase over $6.00 per gallon will result in an additional $1.00 per mile per $1.00 per gallon)
Fuel price calculated from eia.gov

APPENDIX 2 – CP Services Guide

Cathodic Protection Services

ENGINEERING, CONSTRUCTION, MAINTENANCE & INDIRECT INSPECTION



A HIGHER LEVEL OF RELIABILITY®

ACUREN

Cathodic Protection Services

Acuren's Cathodic Protection is part of our Pipeline Integrity Program that supports our Midstream Integrated Integrity Solutions. The Pipeline Integrity full-service program incorporates the best in Cathodic protection while leveraging support from our other pipeline solutions. Acuren's proven capabilities and readily available resources creates synergies to reduce client costs.

- Efficient designs that lead to reduced long-term operating costs
- Material selection
- Installations that are sourced locally to maximize cost savings
- Annual surveys with an engineering approach geared to lowering costs
- Monitoring
- Ongoing maintenance
- Data management that is digitally captured to reduce reporting time

ENGINEERING & CONSTRUCTION

- Manage all aspects of the construction of cathodic protection systems including:
  - System design
  - Material selection
  - Pre-job one calls and ground disturbance notifications
  - Coordination of any required subcontractors
  - Installation and commissioning
- AC mitigation
- A full report and as-built drawings of all installations is provided within 30 days of project completion
- Commission newly installed cathodic protection systems immediately following construction or connections of new pipelines into existing cathodic protection systems
- Turn-key direct assessment programs
  - Pre-assessment – review of current and historical data, determine feasibility, tool selection, define regions
  - Indirect Survey services
  - Direct Examination / exploratory digs evaluation
  - Post-assessment – root cause analysis, mitigation determination, severity ranking, reassessment interval, remaining life calculations

MONITORING & MAINTENANCE

- Annual compliance surveys, traditional or RMU method
- Ongoing maintenance and remedial repairs
- Remote monitoring installation and management
- Data management

INDIRECT / OVER-THE-LINE INSPECTION

- Direct Assessment Programs
- Depth of cover
- Close Interval Potential Survey (CIPS)
- ACVG / DCVG Survey
- Soil resistivity measurements
- Right of way status and points of interest
- Current attenuation

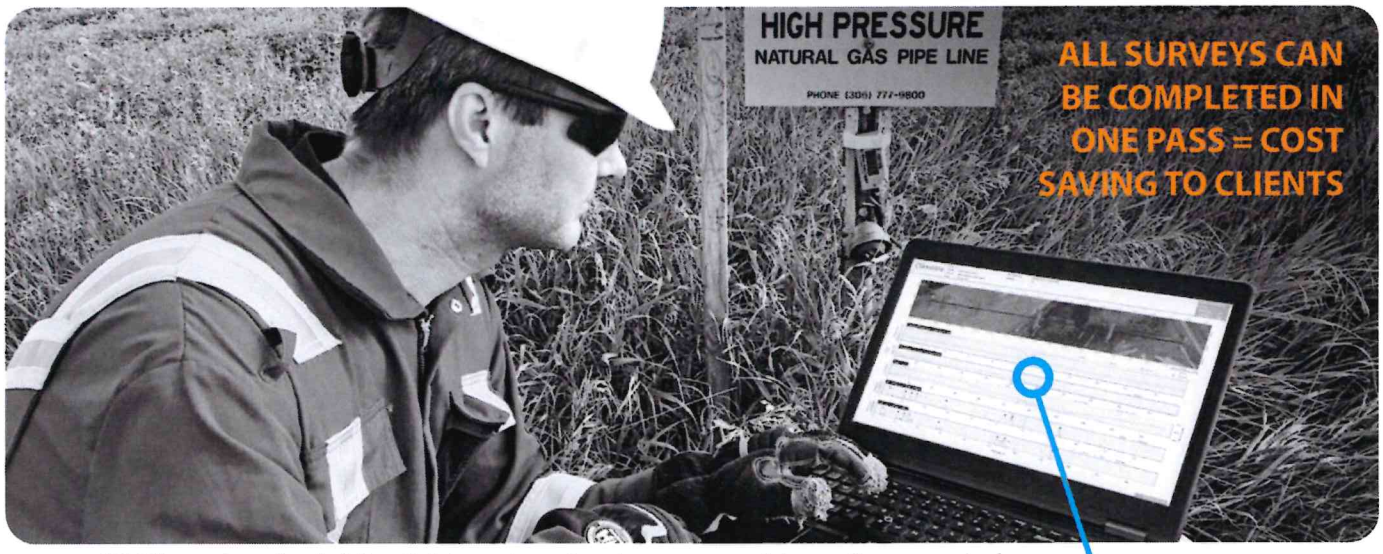


WHY ACUREN?

- Digital Data Capture
- Field crews create final report – eliminates mistakes and allows for firsthand knowledge to be utilized in the report
- Data is fully reviewed by QA personnel to engineering standards with enhanced productivity tools
- Reduced landowner impact – faster data acquisition, and less signal drops, results in reduced impact and risk to landowners

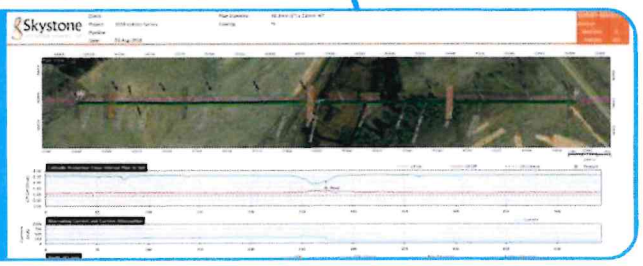
HAWKEYE

One System, One Data File, Maximum Productivity



CSV file can be uploaded directly into customer's system – no proprietary software required.

HawkEye is a reliable and robust over-the-line survey solution that acquires, and compiles, data from a variety of testing methods through a single scan, into a consolidated report and output data set utilizing GPS to align results.



SIMULTANEOUS DATA ACQUIRED BY HAWKEYE

Standard services included:

- GIS / GPS Decimeter Location
- Depth of Cover
- Current Attenuation
- Right of way status and points of interest

Additional services available:

- Close Interval Potential Survey (CIPS)
- Alternating Current Voltage Gradient (ACVG)
- Direct Current Voltage Gradient (DCVG)

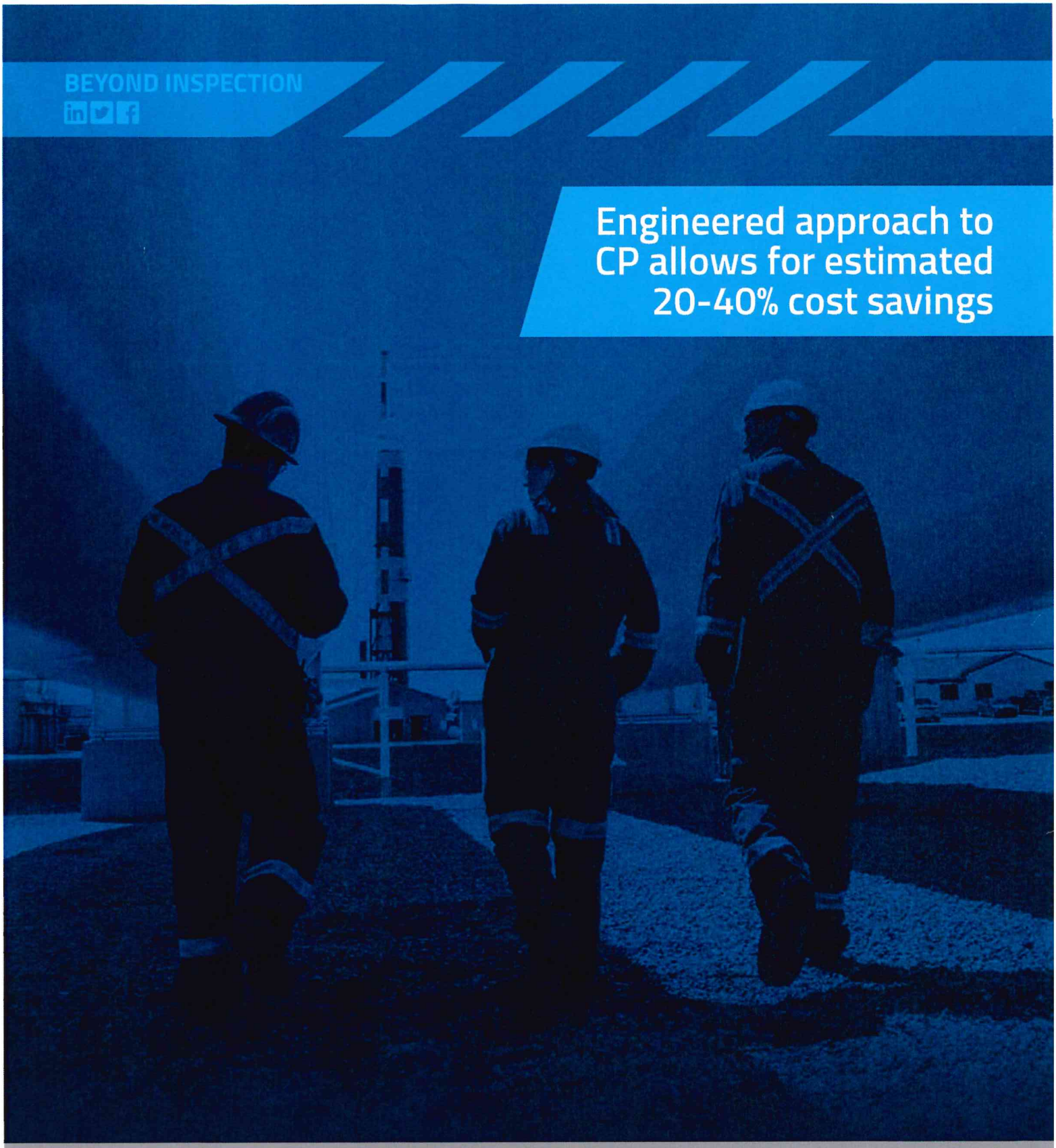
HAWKEYE SYSTEM FEATURES

- Utilization of three constellations to minimize signal drops
- Digital signal processing filters remove noise and separates signals without having to add external filters
- Analysis algorithm uses the entire collected waveform
- Data overlaid on Google Earth along with legal land description
- GIS compatible – uploadable into owner systems
- Data stored on hard drive in the field – less risk of data loss

WHY HAWKEYE?

- **Beyond max/min** – unlike other systems which just measure max and min, HawkEye utilizes high speed (up to 200 Khz) digitizing with complete waveform analysis for all data streams
- **Precision** – utilizes sub-decimeter (3-5 cm) GPS positioning for improved accuracy
- **Stability** – system can operate on wifi or bluetooth connections for better stability
- **Robust reporting** – utilizes satellite imagery rather than schematics and can be overlaid with Google Earth and legal land description
- **No proprietary encrypted software** – raw data available in a transparent .csv file
- **Data management** – owners can upload, manage and utilize the data within their own systems

BEYOND INSPECTION



ACUREN

CONTACT OUR CATHODIC PROTECTION EXPERTS TODAY

1-800-218-7450

www.acuren.com
info@acuren.com

San Benito County Water District
Agenda Transmittal

Agenda Item: 13

Meeting Date: April 30, 2025

Submitted By: Brett Miller

Presented By: Brett Miller

Agenda Title: Consider Salary increase for the District Engineer and Deputy District Engineer positions

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Description:

The District is currently without a staff member in the District Engineer position. The current solution has been to use the previously retired General Manager as extra help as a retired annuitant. It is the desire of staff to have a new District Engineer or Deputy District Engineer get as much knowledge from the retired general manager as much as possible while he is available.

In consulting with the District's recruiter, it is their recommendation to increase the salary of the positions of District Engineer and Deputy District Engineer so that the District has a successful recruitment. The consultant has performed a comparation of like organizations for the District to consider. Based on the information provided, staff is recommending a 5% increase in salary for the Deputy District Engineer and a 10% increase in the District Engineer position.

Prior Committee or Board Action:
Finance Committee Meeting April 22, 2025

Financial Impact: __X__ Yes _____ No

Funding Source/ Recap:
Depending on which position is filled, there could be a $18,500 increase in salary costs.

Material Included for Information/Consideration:
Personnel Committee Recommendation
Email from Josette Reina-Luken, WBCP, Inc.

Recommendation:
Approval salary increase of 5% for the Deputy District Engineer and the 10% increase for the District Engineer.

Action Required: _____ Resolution ____X___ Motion _____Review

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Board Action

_____Resolution No.___ Motion By_____ Second By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_Date_____ No Action Taken_____

BOARD AGENDA MEMO

DATE: April 22, 2025

TO: Board of Directors

FROM: Personnel Committee (Flores/Tonascia)

SUBJECT: Committee Recommendation to Board to approve a Salary increase for the District Engineer and Deputy District Engineer positions

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The Personnel Committee met on April 22, 2025 and staff reviewed the salaries for District Engineer and Deputy District Engineer.

The Personnel Committee recommends the Board to approve a Salary increase for the District Engineer and Deputy District Engineer positions.

Director Flores

Director Tonascia

Outlook

Salary Comparisons for Deputy/District Engineer

From Josette Reina-Luken <josette@wbcpinc.com>
Date Wed 4/9/2025 7:23 AM
To Brett Miller <bmiller@sbcwd.com>
Cc Cindy E. Tyler <ctyler@sbcwd.com>

Good morning Brett,

Below are a few salary comparisons to your advertised position of Deputy/District Engineer. Any positions with higher salary ranges have been highlighted. Let me know if you need this in a different format should you want to present it to your board. These are just the ballpark results to see if you would like to proceed further.

We are currently working on the brochure and should have something for you to review at the end of this week!

Kind Regards,
Josette

- San Lorenzo Engineering Manager
  Monthly Steps $11154, $11712, $12297, $12912, $13558, $14236, $14947

- Scott Valley WD
  Operations Manager (Oversees Engineering)
  Top Step $14599 - no range below given

- Sunnyslope
  Principal Engineer
  Annual $125,206 - $159,798

- City of Hollister
  Engineering Manager
  Monthly Steps $6,525.30, $ 6,851.57, $7,194.14, $7,553.85, $7,931.54

- City of Santa Cruz WD
  Deputy Water Director/Engineering Manager
  Range: $12,908 to $16,639

- Santa Clara Valley WD
  All Engineering Managers with a PE
  Hourly $89.84, $94.33, $99.04, $103.98, $109.20, $111.93, $114.71
  Biweekly $7,187.20, $7,546.40, $7,923.20, $8,318.40, $8,736.00, $8,954.40, $9,176.80
  Monthly $15,572.27, $16,350.53, $17,166.93, $18,023.20, $18,928.00, $19,401.20, $19,883.07
  Yearly $186,867.20, $196,206.40, $206,003.20, $216,278.40, $227,136.00, $232,814.40, $238,596.80

- Monterey One Water
  Director of Engineering - Salary $264,076.80 Annually

- Monterey Peninsula Management Water District
  District Engineer/Payband 54
  Monthly $12,967.23, $13,615.59, $14,296.37, $15,011.19, $15,761.75
  Annually $189,140.97

- Seaside Water Company
  Public Works Director / City Engineer
  Annually $234,359.84



Josette Reina-Luken
Executive Recruiter

Phone: 541-664-0376
Toll Free: 866-929-9227
Email: josette@wbcpinc.com

213 E Main St,
Rogue River, OR 97537

www.wbcpinc.com

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San Benito County Water District
Agenda Transmittal

Agenda Item: 14

Meeting Date: April 30, 2025

Submitted By: Jennifer Cosio Arellano

Presented By: Jennifer Cosio Arellano

Agenda Title: Consider Resolution Declaring May as Water Awareness Month

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Detailed Description:

Water Awareness Month first started as a joint effort between the California Department of Water Resources and the Association of CA Water Agencies during the California Drought of 1987-1992. Every year during the month of May, water agencies all over California focus on public outreach and education events to effectively deliver the message about water conservation. By spreading awareness, we can educate residents to conserve their water during the peak water use season.

May marks the start of the irrigation season and increased water use as we transition to summer. During the summer months, 50% of our residential water use is dedicated to landscapes. The Water Resources Association of San Benito County urges all customers to call them for irrigation assistance. A trained technician can assess your irrigation system to ensure it is working efficiently and set your irrigation controller for the summer months.

Prior Committee or Board Action: None

Financial Impact: ____X____ Yes _____ No

Funding Source/ Recap: WRASBC FY Budget (Public Outreach)

Materials included:
Draft Resolution
PowerPoint Presentation

Recommendation: Approve Resolution for Water Awareness Month.

Action Required: __X__ Resolution _____ Motion _____Review

Board Action

____Resolution No._____ Motion By_____ Second By_____

Ayes_____ Abstained_____

Noes_____ Absent_____

Reagendized_____ Date_____ No Action Taken_____

RESOLUTION NO. 2025-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN BENITO COUNTY WATER DISTRICT PROCLAIMING MAY AS WATER AWARENESS MONTH

WHEREAS, California's arid and semiarid climate, its ambitious and evolving economy, and its growing population have combined to make water shortages and conflicting demands the norm; and

WHEREAS, the rising concern of climate change could limit the state and federal governments water infrastructure due to less snowpack and environmental concerns in the Delta; and

WHEREAS, the water supply for San Benito County's water agencies is derived from a variety of sources including local groundwater, watersheds and reservoirs, water imported and contracted through the United States Bureau of Reclamation and the Central Valley Project, and recycled water; and

WHEREAS, the health, welfare, and quality of life for our community depends on a reliable, high quality water supply; and

WHEREAS, municipal agencies and governments continue to seek cost-effective and efficient systems to obtain and deliver water to meet the needs of residents, agriculture and the economy; and,

WHEREAS, the state, county, cities and concerned citizens make strong efforts to foster wise decisions concerning water issues and water use; and,

WHEREAS, the fact that California will experience periodic droughts and water conservation is critical not only during drought periods, but at all times; and

WHEREAS, during May 2025, the San Benito County Water District is inviting everyone to find out ways to save water both at work and at home.

NOW, THEREFORE, the Board of Directors for the San Benito County Water District proclaim May 2025 as Water Awareness Month and urge all citizens, businesses, industries, institutions and public agencies to review their water use and water systems for water use efficiency and to contact their water supplier for water saving ideas and assistance.

BE IT FURTHER RESOLVED that the President of the Board is authorized to sign said Resolution, on behalf of this Board and District.

PASSED AND ADOPTED by the Board of Directors of the San Benito County Water District this 30th of April, 2025, by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSTAIN: DIRECTORS:

ABSENT: DIRECTORS:

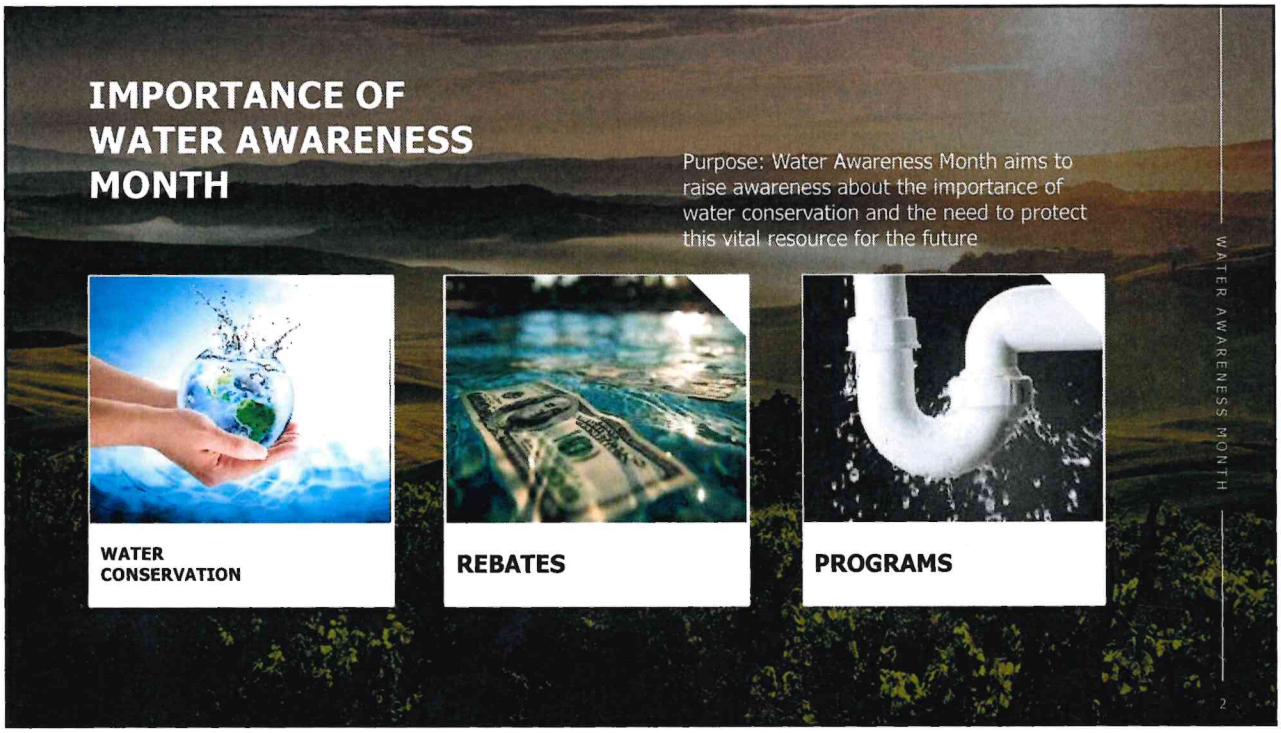
(Signature of presiding Board member
Attested by Board Secretary
Resolution #2025-08)

_____
Doug Williams
President

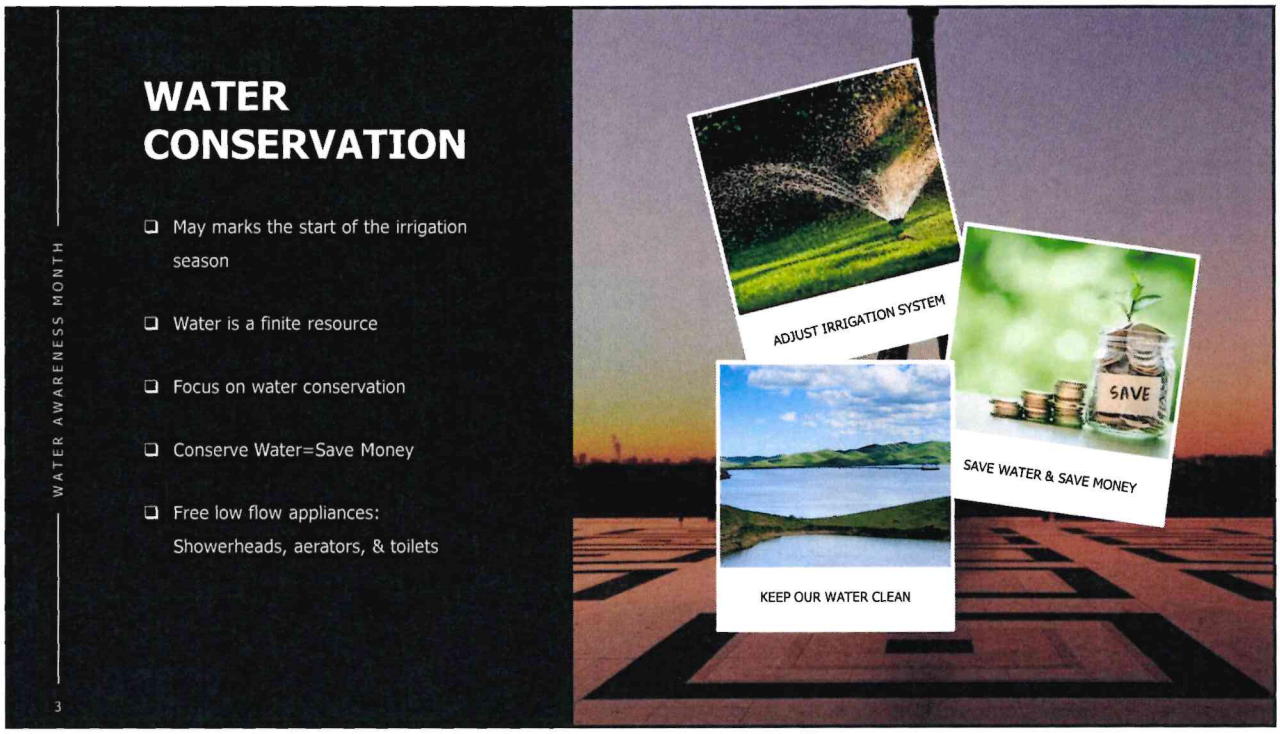
ATTEST: _____
Barbara L. Mauro
Board Secretary


WATER
AWARENESS MONTH
JENNIFER COSIO ARELLANO
WATER CONSERVATION PROGRAM MANAGER
WATER AWARENESS MONTH

1


IMPORTANCE OF WATER AWARENESS MONTH
Purpose: Water Awareness Month aims to raise awareness about the importance of water conservation and the need to protect this vital resource for the future
WATER CONSERVATION
REBATES
PROGRAMS
WATER AWARENESS MONTH
2

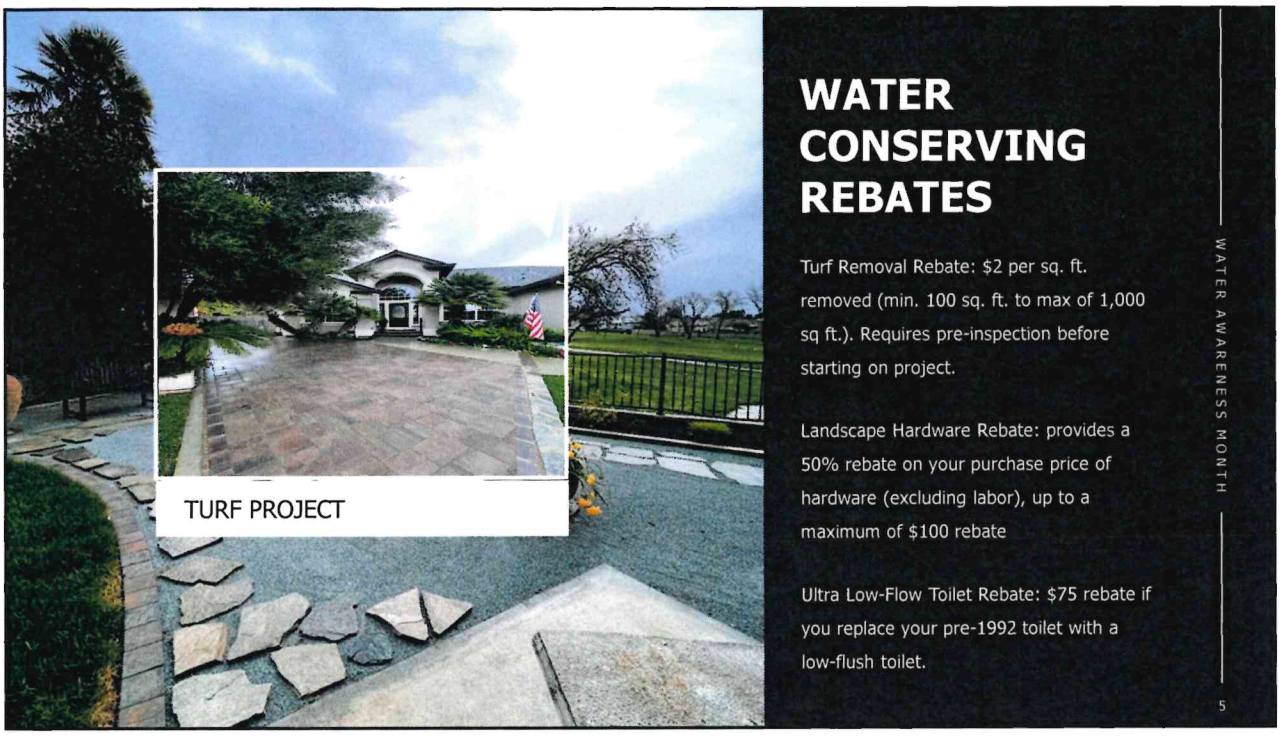
2


WATER AWARENESS MONTH
WATER CONSERVATION
May marks the start of the irrigation season
Water is a finite resource
Focus on water conservation
Conserve Water=Save Money
Free low flow appliances: Showerheads, aerators, & toilets
ADJUST IRRIGATION SYSTEM
SAVE
SAVE WATER & SAVE MONEY
KEEP OUR WATER CLEAN
3

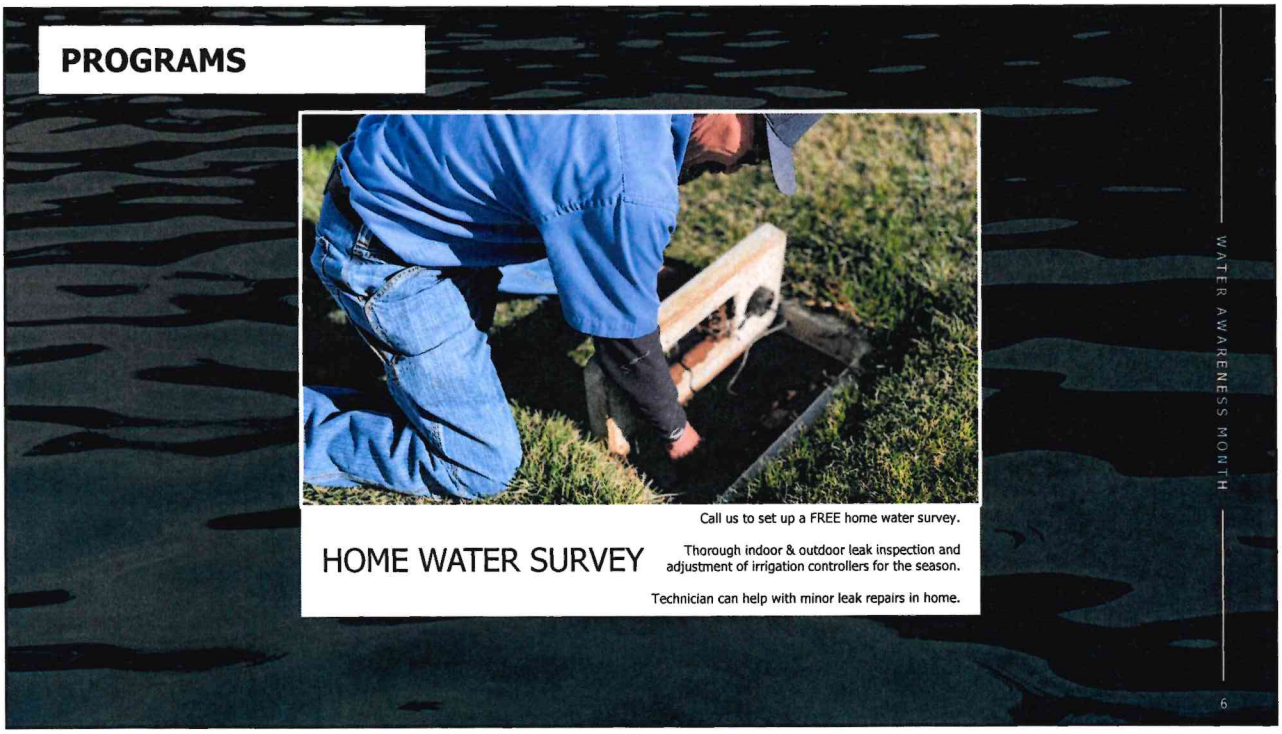
3


WATER SAVING TIPS
1. Outdoor
Water lawn between 9pm to 6am to conserve water and avoid evaporation.
Utilize drip irrigation & smart irrigation controllers
3. Indoor
Upgrade to low flow appliances: showerheads, aerators, low-flow toilets, washing machines & dishwashers
2. Outdoor
Replace your grass lawn with a drought-tolerant/water-efficient landscape
Collect rainwater during the winter season and store it for later use.
Sweep, don't spray driveways and patios
4. Indoor
Check faucets for leaks.
Shut off faucet when brushing teeth, washing your face, and shaving facial hair.
WATER AWARENESS MONTH
4

4


WATER CONSERVING REBATES
Turf Removal Rebate: $2 per sq. ft. removed (min. 100 sq. ft. to max of 1,000 sq ft.). Requires pre-inspection before starting on project.
Landscape Hardware Rebate: provides a 50% rebate on your purchase price of hardware (excluding labor), up to a maximum of $100 rebate
Ultra Low-Flow Toilet Rebate: $75 rebate if you replace your pre-1992 toilet with a low-flush toilet.
TURF PROJECT
WATER AWARENESS MONTH
5

5


PROGRAMS
HOME WATER SURVEY
Call us to set up a FREE home water survey.
Thorough indoor & outdoor leak inspection and adjustment of irrigation controllers for the season.
Technician can help with minor leak repairs in home.
WATER AWARENESS MONTH
6

6


WRASBC
Water Resources Agency of San Benito County
WRASBC
WATER AWARENESS MONTH
7

7


LANDSCAPE HARDWARE (DRIP)
LOW-FLUSH TOILETS
TURF REMOVAL PROGRAM
~FREE~
WATER CONSERVATION SUPPLIES
THANK YOU
WEBSITE: WWW.WRASBC.ORG
PHONE: 831-637-4378
INSTAGRAM: WRASBC
FACEBOOK: WATER RESOURCES ASSOCIATION OF SAN BENITO COUNTY
WATER AWARENESS MONTH
8

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