

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 2, 2022

NEW ISSUE—FULL BOOK-ENTRY

RATING:
S&P: “ ”
(See “RATING” herein)

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the District with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See “TAX MATTERS” herein.



\$ _____ *

WOODBRIDGE IRRIGATION DISTRICT

(San Joaquin County, California)

2022 Water System Refunding Revenue Bonds

Dated: As of Date of Delivery

Due: July 1, as shown on the inside front cover

The \$ _____ * Woodbridge Irrigation District (San Joaquin County, California) 2022 Water System Refunding Revenue Bonds (the “Bonds”) are being issued by the Woodbridge Irrigation District (the “District”), in fully registered form without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Payments of the principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the “Trustee”), to DTC, which is obligated in turn to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. The Bonds are being issued pursuant to an Indenture of Trust, dated as of April 1, 2022 (the “Indenture”), by and between the District and the Trustee. Interest on the Bonds will be payable semi-annually on each January 1 and July 1, commencing on July 1, 2022.

The Bonds are being issued to provide funds to (i) refund, on a current basis, the outstanding Woodbridge Irrigation District Certificates of Participation (2013 Refinancing Project), the proceeds of which were issued to refinance the improvement, betterment, renovation and expansion of certain facilities within the District’s water system (the “Water System”), and (ii) pay the costs of issuing the Bonds.

The Bonds are payable from the net revenues (the “Net Revenues”) of the Water System, derived primarily from charges and revenues received by the District from the operation of the Water System, less the costs of the operation and maintenance of the Water System. The Net Revenues are pledged, as a first and prior lien thereon, to pay the principal of and interest on the Bonds and any parity obligations issued or incurred by the District, as described herein (the “Parity Debt”). The District has covenanted to set rates and charges for the service and facilities of the Water System sufficient to provide Net Revenues each year equal to at least 1.25 times the aggregate annual amount of principal of and interest due on the Bonds and all Parity Debt. The District’s obligation to pay debt service on the Bonds is on a parity with any additional parity obligations incurred by the District in the future. **A reserve fund has not been established for the Bonds.**

The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS—Redemption.”

NEITHER THE BONDS NOR THE OBLIGATION TO PAY PRINCIPAL OF OR INTEREST THEREON CONSTITUTES A DEBT OR A LIABILITY OF THE DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF NET REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE. THE BONDS ARE NOT SECURED BY A PLEDGE OF THE TAXING POWER OF THE DISTRICT.

MATURITY SCHEDULE

See inside front cover

Bids for the purchase of the Bonds will be received by the District on Tuesday, March 15, 2022, electronically only, through the I-Deal LLC BiDCOMP/PARITY® system, until 9:00 A.M., Pacific Standard Daylight time. The Bonds will be sold pursuant to the terms of sale set forth in the Official Notice of Sale, dated March 2, 2022.

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 BONDS.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Quint & Thimmig LLP, Larkspur, California, as Bond Counsel. Certain legal matters will also be passed upon for the District by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by Kronick Moskovitz Tiedemann & Girard, Sacramento, California, District Counsel. It is anticipated that the Bonds will be delivered in definitive form through the facilities of DTC on or about April 5, 2022.

Dated: March __, 2022

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. 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.

\$ _____ *

WOODBRIIDGE IRRIGATION DISTRICT
(San Joaquin County, California)
2022 Water System Refunding Revenue Bonds

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

CUSIP† Prefix: _____

Maturity	Principal	Interest	Yield	Price	CUSIP†
July 1	Amount	Rate			Suffix

*Preliminary, subject to change.

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WOODBIDGE IRRIGATION DISTRICT

18750 North Lower Sacramento Road
Woodbridge, CA 95258
(209) 625-8438

BOARD OF DIRECTORS

William Stokes, *President, Division 1*

Ed Lucchesi, *Vice President, Division 5*

William "Bill" Shinn, *Division 4*

Keith Bussman, *Division 2*

Henry Van Exel, *Division 3*

DISTRICT STAFF

Anders Christensen, *Manager/Secretary/Treasurer*
Todd VerSteeg, *Superintendent*

PROFESSIONAL SERVICES

Quint & Thimmig LLP
Larkspur, California
Special Counsel and Disclosure Counsel

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California
Trustee/Escrow Bank

Wulff, Hansen & Co.
San Rafael, California
Financial Advisor

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (“Rule 15c2-12”), this Preliminary Official Statement constitutes an “official statement” of the District with respect to the Bonds that has been deemed “final” by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth in this Official Statement has been obtained from official sources and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation of the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. 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.

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. No assurance is given that actual results will meet the District’s forecasts in any way, regardless of the level of optimism communicated in the information. The District is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See “CONTINUING DISCLOSURE” herein.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

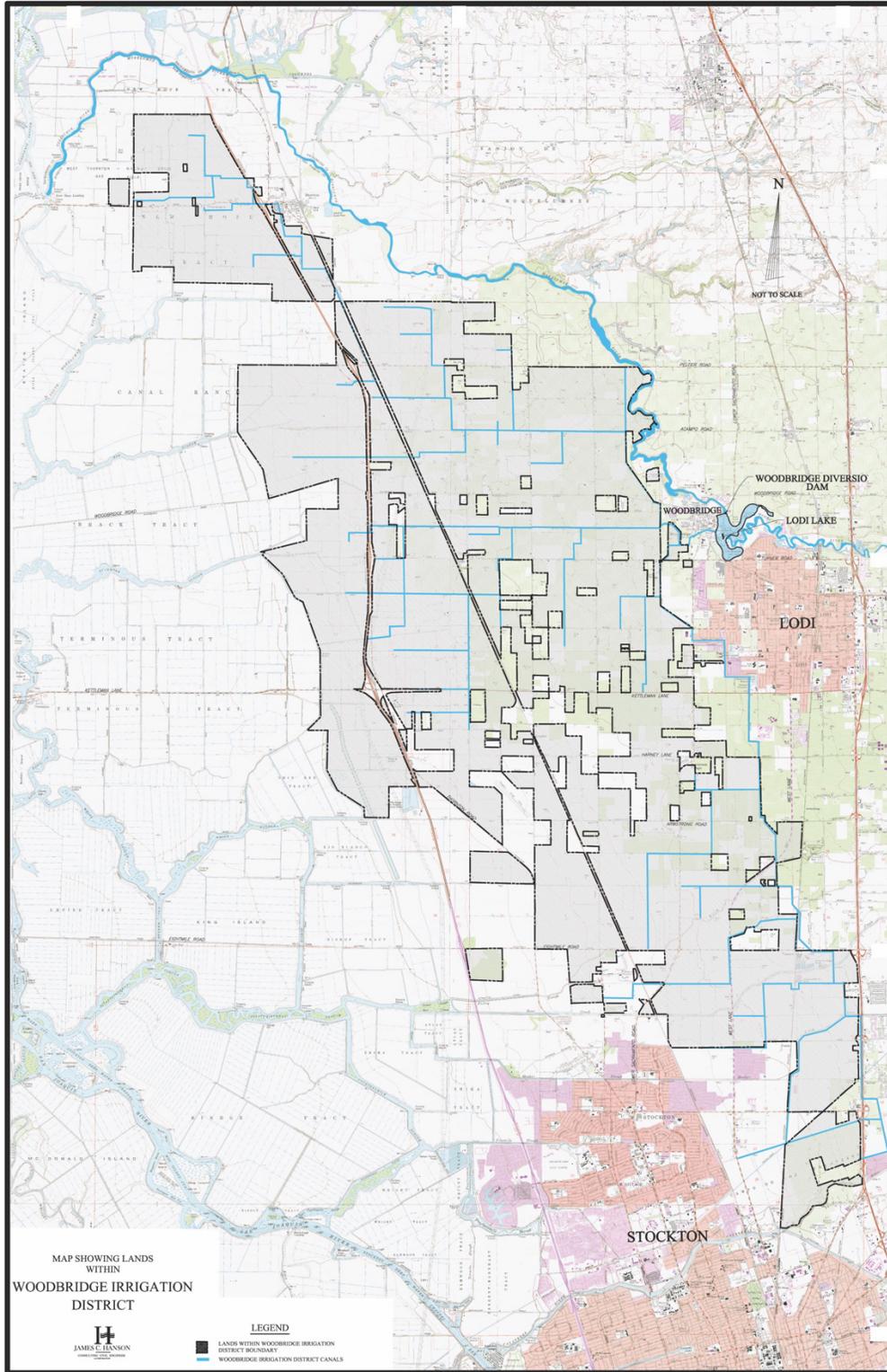
The execution, sale and delivery of the Bonds has not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The District maintains a website. Unless specifically indicated otherwise, the information presented on such website is *not* incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

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WOODBIDGE IRRIGATION DISTRICT MAP



OFFICIAL STATEMENT

\$ _____ *

WOODBIDGE IRRIGATION DISTRICT (San Joaquin County, California) 2022 Water System Refunding Revenue Bonds

INTRODUCTION

General

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale of the 2022 Water System Refunding Revenue Bonds (the “Bonds”), being issued by the Woodbridge Irrigation District, California (the “District”), in the aggregate principal amount of \$ _____.*

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. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used, but not otherwise defined herein, shall have the meanings assigned thereto as set forth in APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Certain Definitions.

The District

The District is a public entity organized in 1924 under the Irrigation District Law of the California Water Code. The District has the powers under the Irrigation District Law to, among other things, provide water service within its geographic boundaries (an area of 63 square miles). The District is also authorized to lease or sell the use of any of its water supply that is not necessary for use within the District. The District is governed by its Board of Directors (the “Board”) and is under the day-to-day management of Anders Christensen, the District’s Manager. Mr. Christensen has served as the District’s Manager for over thirty years since his initial appointment to the position in 1991.

For additional information about the District, see “THE DISTRICT,” “DISTRICT WATER SYSTEM,” “DISTRICT FINANCIAL INFORMATION,” APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE YEAR ENDED DECEMBER 31, 2020, and APPENDIX E—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT AND THE COUNTY.

* Preliminary, subject to change.

Purpose of the Bonds

The Bonds are being issued to provide funds to (a) refund, on a current basis, the outstanding Woodbridge Irrigation District Certificates of Participation (2013 Water System Financing Project) (the “2013 Certificates”), delivered to finance improvements to the District’s water system (the “Water System”) owned and operated by the District, and (b) pay expenses of the transaction. See “THE REFUNDING PLAN.”

Authority for Issuance

The Bonds are authorized pursuant to the provisions of section 53570 *et seq.* of the California Government Code, a resolution adopted by the District Board of the District on January 13, 2022 (the “Resolution”), and an Indenture of Trust, dated as of April 1, 2022 (the “Indenture”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

Security for the Bonds

The Bonds are payable from the net revenues (the “Net Revenues”) of the Water System, derived primarily from charges and revenues received by the District from the operation of the Water System, less the costs of the operation and maintenance of the Water System. The Net Revenues are pledged, as a first and prior lien thereon, to pay the principal of and premium, if any, and interest on the Bonds and any parity obligations issued or incurred by the District, as described herein (the “Parity Debt”).

See “SECURITY FOR THE BONDS—Pledge of Net Revenues.”

The District’s obligation to pay debt service on the Bonds will be on a parity with any parity obligations incurred by the District in the future.

Rate Covenant

Under the Indenture, the District has covenanted to set rates and charges for the service and facilities of the Water System sufficient to provide Net Revenues each Fiscal Year equal to at least 1.25 times the aggregate annual amount of principal of and interest due on the Bonds and all Parity Debt coming due in such Fiscal Year. See “SECURITY FOR THE BONDS—Rate Covenant.”

Additional Obligations

Additional obligations and bonds issued or incurred on a parity with or subordinate to the Bonds may be issued pursuant to the Indenture provided that certain conditions are met. See “SECURITY FOR THE BONDS—Limitations on Future Obligations Secured by Net Revenues.”

Payment

Principal of the Bonds will be payable in each of the years and in the amounts set forth on the cover page hereof. Initially, principal of and interest on the Bonds will be payable when due by wire of the Trustee to The Depository Trust Company, New York, New York (“DTC”), which will in turn remit such interest and principal to DTC Participants (as defined herein), which will in turn remit such interest and principal to Beneficial Owners (as defined herein) of the Bonds. See “THE BONDS—Book-Entry Only System.”

Redemption

The Bonds are subject to redemption prior to their stated maturity dates, as provided herein. See “THE BONDS—Optional Redemption.”

Form of Bonds

The Bonds will be dated as of their date of delivery and will be issued in fully registered form, without coupons, in the minimum denominations of \$5,000 or any integral multiple thereof. Any Bond may, in accordance with its terms, be transferred or exchanged, pursuant to the provisions of the Indenture. See “THE BONDS—General.”

Book-Entry System

The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in denominations of \$5,000 or any integral multiple thereof, in book-entry form only. Upon receipt of payments of principal of and interest on the Bonds, DTC will in turn remit such principal and interest to the participants in DTC for subsequent disbursement to the beneficial owners of the Bonds. See “THE BONDS—Book-Entry Only System” below and APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

Risks of Investment

The Bonds are repayable only from certain money available to the District from the Water System. For a discussion of some of the risks associated with the purchase of the Bonds, see “RISKS RELATING TO THE BONDS”

NEITHER THE BONDS NOR THE OBLIGATION TO PAY PRINCIPAL OF OR INTEREST THEREON CONSTITUTES A DEBT OF THE DISTRICT, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL LIMITATION ON INDEBTEDNESS, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT. THE BONDS ARE SECURED SOLELY BY THE PLEDGE OF NET REVENUES AND CERTAIN FUNDS HELD UNDER THE INDENTURE.

Tax Matters

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 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 imposed on individuals. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “TAX MATTERS” herein.

Continuing Disclosure

The District has covenanted, for the benefit of the owners and beneficial owners of the Bonds, to provide certain financial information and operating data relating to the Water System by not later than nine

months following the end of each Fiscal Year (currently December 31), and to provide notices of the occurrence of certain enumerated events. See “CONTINUING DISCLOSURE” herein and APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

Forward-Looking Statements

This Official Statement, and particularly the information contained under the headings entitled “REFUNDING PLAN,” “ESTIMATED SOURCES AND USES OF FUNDS,” “SECURITY FOR THE BONDS,” “THE WATER SYSTEM” AND APPENDIX E—GENERAL INFORMATION REGARDING THE WOODBRIDGE IRRIGATION DISTRICT, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 2000. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The District is not obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See “RISK FACTORS RELATING TO THE BONDS.”

Other Matters

There follows in this Official Statement brief descriptions of the Bonds, the security for the Bonds, the Indenture, the District, the Water System, and certain other information relevant to the issuance of the Bonds. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all its respective terms and conditions. All statements herein with respect to such documents are qualified in their entirety by reference to each such document for the complete details of all of their respective terms and conditions. All statements herein with respect to certain rights and remedies are qualified by reference to laws and principles of equity relating to or affecting creditors’ rights generally. Copies of the Indenture are available for inspection during business hours at the corporate trust office of the Trustee.

The information and expressions of opinion herein speak only as of the date of this Official Statement and are subject to change without notice. Neither delivery of this Official Statement nor any sale made hereunder, nor any future use of this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

All financial and other information presented in this Official Statement has been provided by the District from its records, except for information expressly attributed to other sources. The presentation of information, including the table of receipts from taxes and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial or other affairs of the District. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Other Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available for inspection at the office of the District, Woodbridge Irrigation District, 18750 North Lower Sacramento Road, Woodbridge, CA 95258 (209) 625-8438. The District may impose a charge for copying, mailing and handling.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are as follows:

<u>Sources:</u>	
Principal Amount of Bonds	
Plus: Net Original Issue Premium	
TOTAL SOURCES	_____
	=====
<u>Uses:</u>	
Deposit to Escrow Fund	
Costs of Issuance (1)	
TOTAL USES	_____
	=====

⁽¹⁾ Costs of Issuance include the underwriter’s discount, legal and municipal advisor fees, fees of the Trustee, fees of the Escrow Bank, printing costs, rating agency fees and other miscellaneous expenses.

THE REFUNDING PLAN

Proceeds of the Bonds will be used to (a) refund the 2013 Certificates, and (b) pay the costs incurred in connection with the execution, delivery and sale of the Bonds.

A portion of the proceeds of the Bonds will be deposited into an escrow fund (the “Escrow Fund”) established under an escrow agreement (the “Escrow Agreement”) by and between the District and The Bank of New York Mellon Trust Company, N.A. as escrow agent (the “Escrow Bank”). Such amount will be held in cash and will be applied to the redemption of the 2013 Certificates on July 1, 2022 (the “Redemption Date”), at a redemption price equal to 100% of the principal amount of the 2013 Certificates outstanding plus accrued interest to such date (the “Redemption Price”).

The 2013 Certificates to be refunded are shown in the following table:

Maturity Date	Principal Amount Refunded	Interest Rate	Redemption Date	Redemption Price	CUSIP [†] Number
7/1/2022	\$ 305,000	4.000%	—	—	978809 BJ9
7/1/2023	325,000	4.000	7/1/2022	100.000	978809 BK6
7/1/2026	1,050,000	4.000	7/1/2022	100.000	978809 BL4
7/1/2029	1,180,000	4.100	7/1/2022	100.000	978809 BM2
7/1/2034	2,325,000	4.500	7/1/2022	100.000	978809 BN0
7/1/2036	1,090,000	4.600	7/1/2022	100.000	978809 BP5
7/1/2043	4,730,000	5.100	7/1/2022	100.000	978809 BQ3

DEBT SERVICE REQUIREMENTS

Annual debt service on the Bonds (assuming no early redemption of the Bonds) is presented below.

Maturity (July 1)	Principal*	Interest	Total
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
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TOTALS			

*Preliminary, subject to change

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THE BONDS

Authority for Issuance

The Bonds are authorized pursuant to the provisions of section 53570 *et seq.* of the California Government Code, a resolution adopted by the District Board of the District on January 13, 2022, and the Indenture.

General Provisions

The Bonds will be dated as of their date of delivery and issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Bond shall have more than one maturity date. The Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the cover page of this Official Statement.

Repayment of the Bonds. Interest on the Bonds will be payable on January 1 and July 1 in each year, beginning July 1, 2022 (each an “Interest Payment Date”), to the person whose name appears on the Bond Registration Books as the Owner thereof as of the date (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 Bonds with respect to which written instructions have been filed with the Trustee prior to the Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books. In the event 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 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 Bonds not less than 15 days preceding such special record date. Principal of any Bond will be paid upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee in Los Angeles, California. Both the principal of and interest on the Bonds will be payable in lawful money of the United States of America.

The Bonds will 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 June 15, 2022, in which event such interest is payable from their date of delivery; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond will bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

DTC as Registered Owner. The Bonds will initially be issued in book-entry only form, registered in the name of Cede & Co., as nominee of DTC. Purchasers of the Bonds will not receive certificates representing their interests therein, which will be held at DTC. See “THE BONDS—Book-Entry Only System.”

Redemption

Optional Redemption. The Bonds maturing prior to July 1, _____, are non-callable. The Bonds maturing on and after July 1, _____, are callable for redemption prior to their stated maturity date at the option of the District, as a whole, or in part on any date on or after July 1, _____ (in such maturities as are

designated by the District, or, if the District fails to designate such maturities, in inverse order of maturity), and may be redeemed prior to the maturity thereof by payment of all principal, plus accrued interest to date of redemption, without premium.

Special Mandatory Redemption from Insurance and Sale Proceeds. The Bonds are subject to redemption as a whole or in part, on any date, from and to the extent of the proceeds of disposition of Water System properties or the proceeds of hazard insurance not used to repair or rebuild the Water System, which are required to be used for such purpose under the Indenture, at a redemption price equal to the principal amount of the Bonds plus interest accrued thereon to the date fixed for redemption, without premium.

Notice of Redemption. Written notice of redemption shall be given by the District to the Trustee at least thirty (30) days prior to the date of redemption (unless a shorter time shall be acceptable to the Trustee in the sole determination of the Trustee). Unless waived by the Owner, notice of any such redemption shall be given by the Trustee on behalf of the District at least 20 days (or such longer period, up to 30 days, if required by The Depository Trust Company, any nominee, successor or substitute depository pursuant to the Indenture) and not more than 60 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Registration Books.

All notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Trust Office.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) interest with respect to such Bonds or portions of Bonds shall cease to accrue and be payable. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

Notice of redemption of Bonds shall be given by the Trustee, at the expense of the District, for and on behalf of the District.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption may state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds to be redeemed on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem such Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the effect that

the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of the Indenture.

Book-Entry Only System

The Bonds will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Bonds so purchased. Individual purchases will be made in book-entry form. One fully registered Bond certificate will be issued for each series and maturity of the Bonds having the same interest rate, in the aggregate principal amount of such maturity and will be deposited with DTC. Purchasers will not receive a certificate representing their beneficial ownership interest in Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Bondowners or registered owners will mean Cede & Co. as aforesaid, and will not mean the “Beneficial Owners” of the Bonds. In this Official Statement, the term “Beneficial Owner” will mean the person for whom a DTC Participant acquires an interest in the Bonds. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds are payable by wire transfer of same day funds by the Trustee to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants for subsequent disbursement to the Beneficial Owners. See APPENDIX G—BOOK-ENTRY ONLY SYSTEM.

SECURITY FOR THE BONDS

The general fund of the District is not liable and the credit or taxing power of the District is not pledged for the payment of the principal of and interest on the Bonds. The Owners of the Bonds may not compel the exercise of the taxing power by the District or the forfeiture of its property. The principal of and interest on the Bonds are not a debt of the District, nor a legal or equitable pledge, charge, lien or encumbrance, upon any of its property, or upon any of its income, receipts, or revenues except the Net Revenues of the Water System.

Pledge of Net Revenues

The Bonds and any Parity Debt shall be secured by a first pledge of all of the Net Revenues. In addition, the Bonds shall be secured by a pledge of all of the moneys in all funds and accounts held by the Trustee hereunder, including all amounts derived from the investment of such moneys. Such pledge shall constitute a lien on the Net Revenues and such other moneys for the payment of the principal of and interest and premium (if any) on the Bonds and any Parity Debt in accordance with the terms hereof. The Bonds shall be equally secured by a pledge, charge and lien upon the Net Revenues, without priority for number or date, shall be and are secured by an exclusive pledge, charge and lien upon the Net Revenues and such moneys, except as set forth in the Indenture. So long as any of the Bonds or any Parity Debt are Outstanding, the Net Revenues and such moneys shall not be used for any other purpose, except as set forth in the Indenture except, that out of the Net Revenues, there may be apportioned such sums, for such purposes, as are expressly permitted by the Indenture.

The Indenture defines “Water System” as all facilities, properties, structures or works for the production, storage and delivery of water now owned by or hereafter acquired and constructed by the District and determined to be a part of the Water System, including all contractual rights for water, together

with additions, betterments, extensions or improvements to such facilities, properties, structures or works or any part thereof hereafter acquired and constructed by the District.

The Indenture defines “Net Revenues” as, with respect to any period, an amount equal to all of the Gross Revenues received during such period minus the amount required to pay all Operation and Maintenance Costs becoming payable during such period.

The Indenture defines “Gross Revenues” as all gross income and revenue received by the District from the ownership and operation of the Water System, including, without limiting the generality of the foregoing, (a) all income, rents, rates, fees, connection fees, charges or other moneys derived from the services, facilities and commodities sold, furnished or supplied through the facilities of the Water System, (b) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is not limited by or pursuant to the law relating to the Water System, (c) the proceeds derived by the District directly or indirectly from the sale, lease or other disposition of a part of the Water System, and (d) all investment earnings credited by the Trustee under the Indenture to the Debt Service Fund; *provided, however*, that the term “Gross Revenues” will not include customers’ deposits or any other deposits subject to refund until such deposits have become the property of the District.

The Indenture defines “Operation and Maintenance Costs” as, for any period, all reasonable and necessary costs paid or incurred by the District during such period for maintaining and operating the Water System and delivering or providing water service thereunder, determined in accordance with generally accepted accounting principles, including all costs of water produced or purchased by the District for resale through the Water System, and including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Water System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the Water System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms of the Indenture or of any resolution authorizing the issuance of any Bonds or of any such Bonds, and the fees of any Independent Certified Public Accountants or Independent Engineers, but excluding in all cases, depreciation, replacement and obsolescence charges or reserve therefor and amortization of intangibles.

In consideration of the acceptance of the Bonds by those who will hold the same from time to time, the Indenture will be deemed to be and will constitute a contract between the District and the Owners of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the District will be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein.

Receipt, Deposit and Application of Gross Revenues and Net Revenues

The District has previously established the Water Fund, which it will continue to hold and maintain. All of the Gross Revenues shall be deposited by the District immediately upon receipt in the Water Fund. All Gross Revenues shall be held in trust by the District in the Water Fund and shall be applied, transferred, used and withdrawn only for the following purposes:

(i) **Operation and Maintenance Costs.** The District shall first pay from the moneys in the Water Fund the budgeted Operation and Maintenance Costs as such Operation and Maintenance Costs become due and payable.

(ii) **Payment of Debt Service.** On or before the 5th Business Day preceding each Interest Payment Date, the District shall withdraw from the Water Fund and transfer to the Trustee, for deposit in the Bond Fund, an amount which, together with the balance then on deposit in the Bond Fund, the Interest Account, the Principal Account and the Sinking Account (other than amounts required for payment of principal of or interest on any Bonds which have matured but which have not been presented for payment), is equal to the aggregate amount of principal of and interest coming due and payable on the Bonds and shall withdraw from the Water Fund and transfer amounts required for the payment of debt service on any Parity Debt. The transfers required to pay debt service on the Bonds and any Parity Debt shall be made without preference or priority and, in the event moneys in the Water Fund are not sufficient to pay the debt service requirement for the Bonds and any Parity Debt, the District shall pay such amounts on a pro rata basis based on the debt service requirements for the Bonds and each outstanding Parity Debt.

(iii) **Surplus.** As long as all of the foregoing payments, allocations and transfers are made at the times and in the manner set forth above, and payment of any applicable fees and expenses to the Trustee, or provision for such redemption or payment having been made, any moneys remaining in the Water Fund may at any time be treated as surplus and applied for any lawful purpose.

Application of Moneys in the Bond Fund. On or before the Business Day preceding 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, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Net Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

First: to the Interest Account, the aggregate amount of interest becoming due and payable on the next succeeding Interest Payment Date on all Bonds then Outstanding; and

Second: to the Principal Account, the aggregate amount of principal becoming due and payable on the Outstanding Bonds on the next succeeding Interest Payment Date, if any; and

Third: to the Sinking Account, the aggregate amount of sinking fund installment becoming due and payable on the Outstanding Bonds on the next succeeding Interest Payment Date, if any.

Other Uses of Water Fund. The District will manage, conserve and apply moneys in the Water Fund in such a manner that all deposits required to be made under this Section and under any Parity Debt Documents will be made at the times and in the amounts so required.

Rate Covenant

Covenant Regarding Gross Revenues. The District covenants to fix, prescribe, revise and collect rates, fees and charges for the Water System as a whole for the services and improvements furnished by the Water

System during each Fiscal Year which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield Gross Revenues that are sufficient to pay the following amounts in the following order of priority:

(i) all anticipated Operation and Maintenance Costs of the Water System for such Fiscal Year;

(ii) Debt Service payments on the Bonds and any Parity Debt as they become due and payable during such Fiscal Year, without preference or priority, except to the extent such Debt Service payments are payable from the proceeds of the Bonds or such Parity Debt, as applicable, or from any other source of legally available funds of the District that have been deposited with the Trustee or otherwise segregated for purposes prior to the commencement of such Fiscal Year (not including a debt service reserve fund);

(iii) the amount, if any, required to restore the balance in any reserve account established for Parity Debt, to the full amount of the reserve requirement with respect to any such Parity Debt; and

(iv) all other payments required to meet any other obligations of the District which are charges, liens, encumbrances upon, or which are otherwise payable, from Gross Revenues during such Fiscal Year.

Covenant Regarding Net Revenues. In addition, the District covenants to fix, prescribe, revise and collect, or cause to be fixed, prescribed, revised and collected, rates, fees and charges for the services and improvements furnished by the Water System during each Fiscal Year which are sufficient to yield Net Revenues which are at least equal to one hundred twenty-five percent (125%) of the total Debt Service payments on the Bonds and any debt service on Parity Debt coming due and payable in such Fiscal Year.

If, in any Fiscal Year, charges for the services and facilities of the Water System which, after allowances for contingencies and error in the estimates, shall produce Gross Revenues insufficient in each Fiscal Year to provide Net Revenues equal to at least one hundred twenty-five percent (125%) of the total Debt Service payments on the Bonds and any debt service on Parity Debt coming due and payable in such Fiscal Year, the District covenants and agrees notify the Trustee of such fact and to employ an independent consultant to make recommendations as to a revision of the rates, fees and charges of the Water System or the methods of operation of the Water System that will result in producing Net Revenues equal to at least one hundred twenty-five percent (125%) of the total Debt Service payments on the Bonds and any debt service on Parity Debt coming due and payable in such Fiscal Year.

The District covenants and agrees that it shall, promptly upon its receipt of such recommendations from such consultant, subject to applicable requirements or restrictions imposed by law, and subject to a good faith determination of the District Board that such recommendations, in whole or in part, are in the best interests of the District, revise its rates, fees and charges or its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations. In the event that the District fails to comply with such recommendations, subject to the applicable requirements or restrictions imposed by law and to the determination of the District Board of the District that such recommendations are in the best interests of the District may, in addition to the rights and remedies elsewhere set forth in this Indenture, and shall, upon the written request of the Owners of a majority in principal amount of the Bonds then Outstanding, and being indemnified to its satisfaction therefor, institute and prosecute an action or

proceeding in a court of competent jurisdiction to compel the District to comply with the recommendations and requirements of this paragraph (c). If the District complies in all material respects with the reasonable recommendations of the consultant in respect to said rates, fees, charges and methods of operation or collection, the District will be deemed to have complied with the covenants described above notwithstanding that Net Revenues shall be less than the amount required under this Indenture for such Fiscal Year; *provided, however*, that such rates, fees, charges and methods of operation or collection shall produce Net Revenues equal to at least 100% of the total Debt Service payments on the Bonds and any debt service on Parity Debt coming due and payable in such Fiscal Year; *provided further*, that this sentence shall not be construed as in any way excusing the District from taking any action or performing any duty required under this Indenture or be construed as constituting a waiver of any other Event of Default.

Limitations on Future Obligations Secured by Net Revenues

No Obligations Superior to Bonds. In order to protect further the availability of the Net Revenues and the security for the Bonds and any Parity Debt, the District covenants that no additional bonds or other indebtedness that are payable out of the Net Revenues in whole or in part will be issued or incurred on a senior basis to the Bonds and any Parity Debt.

Parity Debt. Additional obligations may be issued on a parity with the Bonds and any then existing Parity Debt subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Debt, except that the District need not comply with subparagraph (ii) if the proposed Parity Debt are incurred to prepay or post a security deposit for the payment of the Bonds or Parity Debt:

(i) The District shall be in compliance with all covenants set forth in this Indenture.

(ii) The Net Revenues, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent twelve (12) month period selected by the District ending not more than sixty (60) days prior to the adoption of the instrument issuing such Parity Debt are issued, as shown by the books of the District shall at least equal one hundred twenty-five percent-five (125%) of the amount of Maximum Annual Debt Service on all Bonds and Parity Debt to be Outstanding immediately subsequent to the issuance of such Parity Debt.

Either or both of the following items may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (b)(ii):

(A) An allowance for revenues from any additions to or improvements or extensions of the Water System to be constructed with the proceeds of such additional obligations, and also for net revenues from any such additions, improvements or extensions which have been from moneys from any source but which, during all or any part of such Fiscal Year, were not in service, all in an amount equal to 70% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period following closing of the proposed Parity Debt, all as shown by the certificate or opinion of a qualified independent consultant employed by the District, may be added to such Net Revenues for the purpose of applying the restriction contained in this subsection (b)(ii).

(B) An allowance for earnings arising from any increase in the charges made for service from the Water System which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the District.

(iii) The Parity Debt Instrument providing for the issuance of such Parity Debt shall provide that:

(A) The proceeds of such Parity Debt shall be applied to the acquisition, construction, improvement, financing or refinancing of additional facilities, improvements or extensions of existing facilities within the Water System, or otherwise for facilities, improvements or property which the District determines are of benefit to the Water System, or for the purpose of refunding any Bonds or Parity Debt in whole or in part, including all costs (including costs of issuing such Parity Debt and including capitalized interest on such Parity Debt during any period which the District deems necessary or advisable) relating thereto;

(B) Interest on such Parity Debt shall be payable on January 1 and July 1 in each year of the term of such Parity Debt except the first year, during which year interest may be payable on any January 1 or July 1; and

(C) The principal of such Parity Debt shall be payable on July 1 in any year in which principal is payable.

(iv) A reserve fund may, but shall not be required to, be established for such Parity Debt.

Subordinate Debt. The District further covenants that the District shall not issue or incur any Subordinate Debt unless:

(i) Net Revenues, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent twelve (12) month period selected by the District ending not more than sixty (60) days prior to the adoption of the resolution pursuant to which instrument such Subordinate Debt is issued or incurred, as shown by the books of the District shall, after deducting all amounts required for the payment of debt service on the Bonds and any Parity Debt, have amounted to at least 1.00 times the sum of the maximum annual debt service on all Subordinate Debt outstanding immediately subsequent to the incurring of such additional obligations. An allowance for earnings arising from any increase in the charges made for service from the Water System which has become effective prior to the incurring of such additional obligations but which, during all or any part of such Fiscal Year, was not in effect, may be added in an amount equal to 100% of the amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of a qualified independent engineer employed by the District.

(ii) Interest with respect to such Subordinate Debt shall be paid on January 1 and July 1.

(iii) Principal with respect to such Subordinate Debt shall be paid on July 1.

State Loans. The District may borrow moneys from the State to finance improvements to the Water System (a “State Loan”), which shall constitute Parity Debt, however the District shall not be required to comply with the requirements of clause (iii) and (iv) of paragraph (b) above. The District shall not make a payment on a State Loan with payment dates that precede the Interest Payment Dates if to do so would cause the District to fail to make a timely payment of the Bonds or other Parity Debt and, in such case, the District shall make such payment on a State Loan on to the extent that available Net Revenues would be paid with respect to such State Loan, the Bonds and payments with respect to other Parity Debt on a pro rata basis.

THE DISTRICT

General

The District is a public entity organized in 1924 under the Irrigation District Law of the California Water Code. The District has the powers under the Irrigation District Law to, among other things, provide water service within its geographic boundaries (an area of 63 square miles). The District is also authorized to lease or sell the use of any of its water supply that is not necessary for use within the District. The District is governed by its Board of Directors (the “Board”) and is under the day-to-day management of Anders Christensen, the District’s Manager. Mr. Christensen has served as the District’s Manager for over thirty years since his initial appointment to the position in 1991.

The District obtains its water supply primarily from the Mokelumne River. The District diverts water at its Woodbridge Dam under pre-1914 and post-1914 appropriative rights. These rights provide for the diversion of 300 Cubic Feet per Second (“CFS”) from February 1 to October 31, and for an additional 114.4 CFS from May 1 to August 31 of each year and from November 1 of each year to January 31 of the succeeding year. The combined pre-1914 and post-1914 water rights are limited in the aggregate to a maximum diversion of 414.4 CFS. For additional discussion of the District’s water supply and water rights, see “DISTRICT WATER SYSTEM—Water Supply.”

The District is the sole supplier of irrigation water for approximately 13,000 acres (approximately 20 square miles) within its service area. The District’s current boundaries constitute an area approximately 4% of the total area of San Joaquin County, and are located primarily to the west of the City of Lodi (“Lodi”) and north of the City of Stockton (“Stockton”). The District’s boundaries include the unincorporated communities of Woodbridge and Thornton, and small portions of the incorporated municipalities of Lodi and Stockton.

In addition to providing irrigation water to agricultural customers within its service area, the District sells and diverts portions of its water supply to the cities of Stockton and Lodi. Water sold to Lodi under the Lodi Water Sales Agreement (hereinafter described) is used by Lodi for municipal purposes within Lodi’s municipal water system. Water sold to Stockton under the Stockton Water Sales Agreement (hereinafter described) is expected to be used by Stockton for municipal purposes within Stockton’s municipal water system. For additional discussion of the District’s water sales, see “DISTRICT FINANCIAL INFORMATION.”

The District owns and operates numerous facilities, including the Woodbridge Dam and fish screen, Moffit Weir on Pixley Slough, the Beaver Slough pump diversion and a water distribution system for the purpose of providing water deliveries agricultural customers within the District's service area. For additional discussion of the District's facilities, see "DISTRICT WATER SYSTEM—Facilities."

Governance

The District is governed by its five-member Board of Directors. Board members are elected by diversion areas (divisions) from within the District's boundaries. The following are the currently serving members of the District's Board and their background.

William Stokes, *President, Division 1*, has served on the Board since 1990, representing Division 1. Born in Lodi, California, Mr. Stokes received an Associate's degree from Delta College. He is an ag-business grape grower. He served as President of the Board for the past 20 years. Mr. Stokes is a member of Lodi District Grape Growers, San Joaquin County Farm Bureau and numerous other boards and community groups.

Ed Lucchesi, *Vice President, Division 5*, has served on the Board since 1992, representing Division 5. Mr. Lucchesi is an ag-businessman grower and is also employed by the San Joaquin County Mosquito and Vector Control District.

William "Bill" Shinn, *Director, Division 4*, has served on the Board since 1994, representing Division 4. Mr. Shinn is an ag-business grape and cherry grower.

Keith Bussman, *Director, Division 2*, has served on the Board since _____, representing Division _____ Director area. [BIO]

Henry Van Exel, *Director, Division 3*, has served on the Board since 2003. Mr. Van Exel represents Division 3 and is an ag-business dairyman and as alfalfa farmer and feed grain crop grower. His agricultural operations are representative of many dairies on the west side of Lodi. Mr. Van Exel is a member of the State Identification Advisory Committee and the State Milk Pooling Board, serves on the Agricultural Advisory Committee for Senator Poochigan and Assemblyman Alan Nakanishi, and is a member of the Brack Tract Water Board.

Management

The day-to-day management of the District is under the direction of Anders Christensen, Manager/Secretary/Treasurer who serves at the direction of the District's Board. The following are the members of the District's management staff and their background.

Anders Christensen has served as Manager/ Secretary/Treasurer for the Woodbridge Irrigation District since 1991. Mr. Christensen is accountable for all matters pertaining to the administration and operation of the District. During his tenure as Manager, Mr. Christensen was instrumental in merging the District with the Woodbridge Water Users Conservation District in 1993, providing leadership during two water right proceedings of the California State Water Resources Control Board (SWRCB) in 1991 and in 1998 involving the Mokelumne River and the San Francisco Bay Delta, instituting the District's drip irrigation program saving over 6,000 acre-feet of water annually, spearheading the District's efforts to get \$2.6 million in grant funding from CALFED, initiating the Lodi Water Sales Agreement and the Stockton

Water Sales Agreement. Mr. Christensen is a graduate of Northern State University at Aberdeen, South Dakota, obtaining a Bachelor of Science Degree in 1972.

Todd VerSteeg is Superintendent of outside operations. Mr. VerSteeg has been employed by the District since 2008 and appointed Superintendent in 2011. As Superintendent, Mr. Versteeg has the responsibility for the day-to-day operation of the District's dam and canal system, including all maintenance aspects, as well as supervision of the District's canal maintenance workers and ditch tenders. Mr. VerSteeg is a graduate of Sacramento State and holds a Bachelor of Science Degree.

Employees and Pension Benefits

As of December 31, 2021, the District had _____ full-time employees. The District employees are not unionized. The District has never experienced a work stoppage.

The District does not participate in the State of California Public Employees Retirement System ("PERS"), any defined benefit retirement plan, or any other post-employment benefit plan. The District participates in a Simplified Employee Pension Plan ("SEP-IRA"), and contributes 7% of qualifying employees' compensation annually to the plan. Contributions to the plan for 2020 and 2019 were \$89,231 and \$88,000, respectively.

The District provides employees with health insurance and supports family plan coverage for those employees insuring families. Additionally, the District provides paid vacation and sick leave and incentives for employees who work safely. The District routinely provides workplace safety training and supports educational opportunities designed to improve the work skills of its employees.

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for unpaid vacation is recorded in the financial statements when the liability is incurred and is reported as the current portion of such compensated absences. The District does not provide for payment of unused sick leave at termination dates.

Risk Management

The District obtains general liability, property and automobile insurance through its membership in the Association of California Water Agencies Joint Powers Insurance Authority ("JPIA"). The Authority is responsible for the first \$5 million per claim under its liability coverage program, and members are covered up to 560 million for liability claims under the Authority's purchased excess insurance policies. For property coverage, the JPIA pools for the first \$100,000 and purchases excess coverage up to \$500 million. The JPIA pools coverage for the first \$2 million of workers compensation coverage and purchases excess coverage for California statutory limits with a \$4 million program aggregate limit for the employer's liability coverage. The JPIA also provides employee fidelity coverage up to \$100,000 and a \$25,000 public official bond.

Liabilities of the District are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNRs"). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. There were no

material uninsured claim liabilities at December 31, 2020 or 2019. For additional discussion, see APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE WOODBRIDGE IRRIGATION DISTRICT FOR THE YEAR ENDED DECEMBER 31, 2020, Note 5.

DISTRICT WATER SYSTEM

Water Supply

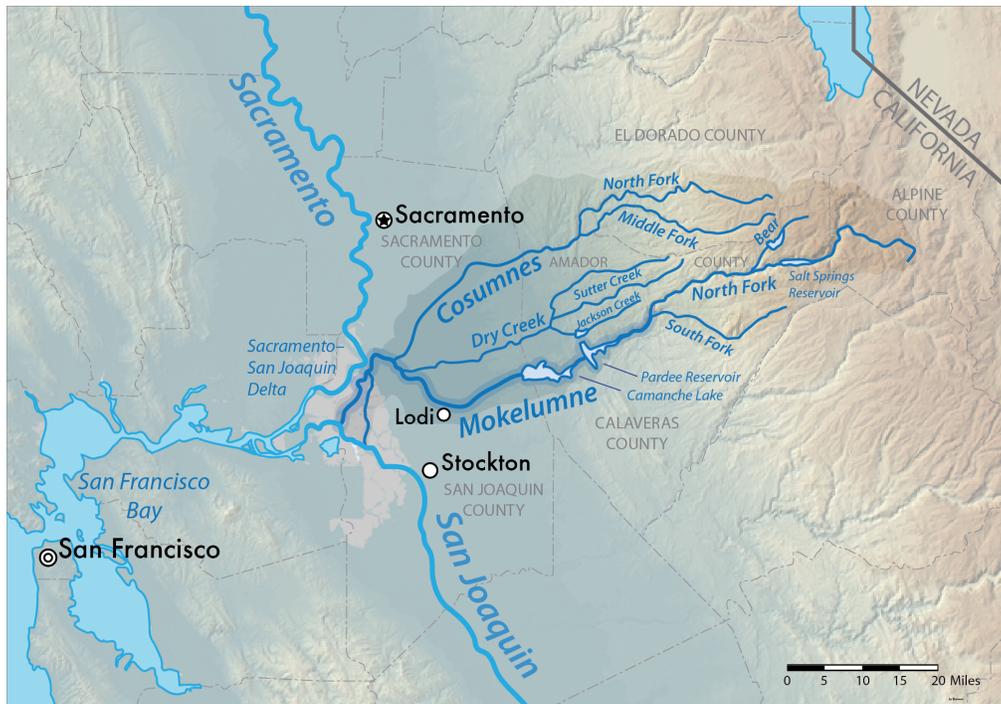
Mokelumne River. The District's primary water source is diversions from the Mokelumne River, a 95-mile (153 km)-long river that flows west from the central Sierra Nevada region into California's Central Valley and ultimately the Sacramento-San Joaquin River Delta. Snowmelt from parts of Alpine, Amador, and Calaveras counties contributes to the Mokelumne River runoff. The District only utilizes surface water and does not provide water from pumped groundwater.

The Mokelumne River is divided into the Upper Mokelumne River, which stretches from the headwaters to Pardee Reservoir in the Sierra foothills, and the Lower Mokelumne River, which refers to the portion of the river below Camanche Dam. In its lower course, the Mokelumne River is used heavily for irrigation and also provides potable water for the east San Francisco Bay Area through the Mokelumne Aqueduct.

Above Camanche Dam, the Mokelumne River drains about 627 square miles of mountains and foothills. The elevation in the Mokelumne River watershed ranges from 235 feet at Camanche Dam to 10,000 feet in the headwater region. Most of the Mokelumne River watershed upstream of Camanche Dam is protected and undeveloped, consisting of open space and forest land with small concentrations of residential and commercial development along the major highways, and large tracts of designated wilderness. Forest land, located chiefly within the El Dorado and Stanislaus National Forests, accounts for about 75 percent of the watershed land.

The following map shows the location of the Mokelumne River, its forks and tributaries, and the locations of Pardee Reservoir and Camanche Lake, the two primary storage reservoirs upstream of the District.

MAP OF THE MOKELUMNE RIVER

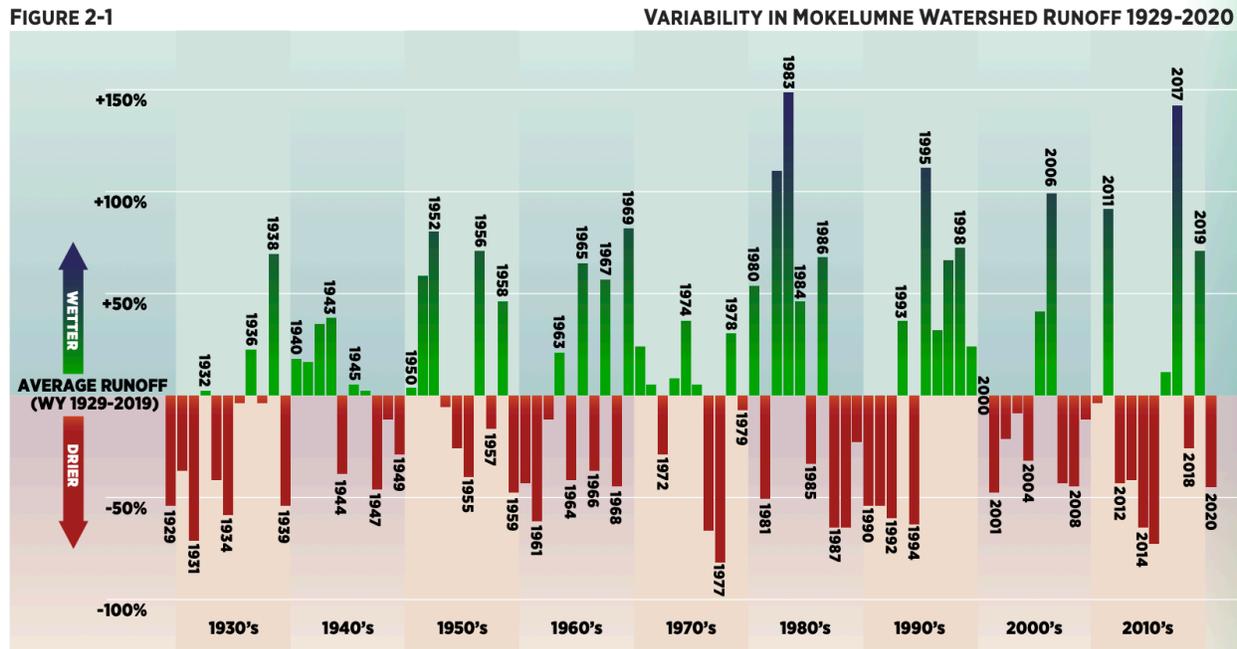


Source: Wikipedia.

Historical Runoff on the Upper Mokelumne River. Annual precipitation and stream flows in the Mokelumne River watershed upstream of Camanche Dam are extremely variable from month to month and from year to year. Most precipitation normally falls between November and May and very little falls between late spring and early fall. Peak flows in the Mokelumne River normally occur during winter storms or during the spring snowmelt season from March through June. These flows decrease to a minimum in late summer or fall. Annual snowfall amounts and runoff are naturally variable and that is likely to continue in the future. Natural hydrological variability is hard to predict, hence there are many sources of uncertainty associated with water supply reliability from year-to-year.

The following chart shows the historical year-to-year runoff variability in runoff for the Mokelumne River from 1929 to 2020 compared to the average runoff over that entire period.

HISTORICAL MOKELUMNE RIVER RUNOFF VARIABILITY 1929-2020



Source: EBMUD.

EBMUD and the Pardee and Camanche Reservoirs. The District receives its water distributions from releases from the Pardee and Camanche reservoirs which are owned and operated by the East Bay Municipal Utility District (“EBMUD”).

EBMUD, a public utility formed under the Municipal Utility District Act in 1923, provides water services to the East Bay region of the San Francisco Bay Area. EBMUD diverts Mokelumne stream flow upstream of the District in its Pardee and Camanche reservoirs. A portion of the water diverted at Pardee Reservoir is then conveyed to the EBMUD’s service area via the Mokelumne Aqueducts, and a portion of the stored water is released along with water that is allowed to pass directly through the reservoirs to meet downstream flow obligations.

EBMUD operates Camanche Reservoir jointly with Pardee Reservoir to maintain numerous downstream obligations, which include stream flow for fisheries and riparian habitat, flood control, and obligations to downstream diverters, like the District. EBMUD’s Mokelumne River flow commitments are determined by hydrology, water rights priorities, agreements with state and federal regulatory agencies, California State Water Resources Control Board (“SWRCB”) orders and decisions, federal directives, court decrees, and numerous agreements between EBMUD and other Mokelumne River users, both upstream and downstream of EBMUD’s Mokelumne River facilities.

The following diagram shows a summary of EBMUD’s flow commitments along the Mokelumne River, including maximum flows that could be required and flows during a typical dry year. As explained in additional detail below, the District, located below the Camanche reservoir, is entitled to flows of 60,000

acre-feet (“AF”) during a normal year. For comparison, the figure also provides information on the average runoff for various periods of historical records, EBMUD’s maximum water rights appropriations, and other pertinent information that illustrate the complex nature of agreements and uses on the Mokelumne River.

SUMMARY OF EBMUD MOKELUMNE RIVER FLOW COMMITMENTS

FIGURE 1-3 EBMUD FLOW COMMITMENTS

BASIN RUNOFF	DIVERSIONS & LOSSES	MAXIMUM (TAF/CY)	DRY YEAR MAXIMUM (TAF/CY)
	AMADOR & CALAVERAS COUNTIES ¹	47.0	13.1
MOKELUMNE HILL GAGE		AVERAGE ² 728	
	JACKSON VALLEY IRRIGATION DISTRICT (AMADOR CO.)	3.85	0
PARDEE	EBMUD AQUEDUCT DRAFT	364 (325 MGD)	SEE FOOTNOTE 3
CAMANCHE	EBMUD DIVERSIONS TO STORAGE	562.9	SEE FOOTNOTE 3
HATCHERY	TOTAL CAMANCHE RELEASE	AVERAGE ² 484	
	FISH RELEASE PER JOINT SETTLEMENT AGREEMENT (JSA)	165.9 ⁴	65 ⁵
	NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT ⁶	20	0
	RIPARIAN & SENIOR APPROPRIATORS (ABOVE WID)	14.4	11.2
	WOODBIDGE IRRIGATION DISTRICT ⁷	60	39
WOODBIDGE GAGE		AVERAGE ² 415	
	RIPARIAN & SENIOR APPROPRIATORS (BELOW WID)	6.2	4.8
	TOTAL NET CHANNEL LOSSES ⁹	120	56

1. Amador County has 15 TAF of pre-14 rights, which could be exercised in dry years if there is sufficient runoff.
2. Average data provided for the various periods of historical record.
3. Varies with runoff and storage conditions.
4. Water releases committed by EBMUD to protect fishery per “Normal and Above” water year type under JSA criteria.
5. Water releases committed by EBMUD to protect fishery per “Dry” water year type under JSA criteria. In critically dry years, the minimum releases could be as low as 22.5 TAF.
6. May be “0” if no water is available surplus to EBMUD needs.
7. EBMUD’s obligation to release water to the Woodbridge Irrigation District is governed by a series of water rights settlement agreements to a maximum of 60 TAF/yr when inflow to Pardee is greater than 375 TAF.
8. Includes local runoff between Camanche and WID.
9. “Net Channel Loss” is defined as all net additions and losses in a river system. This includes components such as flow to and from adjacent groundwater, overland flow, direct precipitation to and evaporation from the channel, plant transpiration, and seepage losses to underlying groundwater.

Source: EBMUD.

The District’s Water Rights. The District’s rights to Mokelumne River diversions include a pre-1914 appropriative right initiated in 1886 and two licenses issued by the SWRCB in the aggregate amount of 414.4 CFS. The firm yield of the District’s Mokelumne River rights to divert water from the Mokelumne are recognized in a water rights settlement agreement with EBMUD. The water rights settlement agreement provides the District with a minimum of 60 thousand acre-feet (“TAF”) per year when the inflow to Pardee Reservoir are 375 TAF or greater. Water released from Camanche reservoir in excess of EBMUD’s minimum downstream water right obligations (riparian, prior appropriations, flood control, and Joint Settlement Agreement) may be taken by the District under the priority of its water rights licenses, subject only to the reasonable beneficial use requirements of the land within the District’s service area and

the diversion rates set forth in its licenses. During those years when the inflow to Pardee reservoir are less than 375 TAF, the District's 60 TAF amount is subject to a 35% deficiency which reduces the District's firm supply to 39 TAF. There is no provision by which EBMUD is permitted to deliver less than 39 TAF to the District during drought conditions.

The District annually prepares and files a diversion schedule with EBMUD. The District's diversions can be taken annually from March through November.

In addition to surface water diversions from the Mokelumne River, the District has appropriative rights to 6 to 8 TAF Beaver Slough, which are used to supplement the District's water diversions from the Mokelumne during low-flow years. The District also has a minor appropriative right to divert water from Pixley Slough.

The District's water rights and licenses are summarized in the following table:

Woodbridge Irrigation District Licenses & Permits

Source	Application	Permit	License	Diversion Description	Priority Date
Mokelumne	Pre-1914 Water Rights Allows WID to divert up to 414.4 CFS (S015557)				12/31/1886
Mokelumne	5807	3890	5945	≤ 300 CFS, 2/1 – 10/31	1/20/1928
Mokelumne	10240	6931	8214	≤ 114.4 CFS, 5/1 – 8/31 and 11/1 – 1/31	7/17/1941
Beaver Slough	12648	7277	8215	≤ 18.25 CFS, 1/1 – 12/31	8/12/1948
Pixley Slough	27007	19301	N/A	≤ 3 CFS, 2/1 – 10/31 (Not to exceed 500 AF/Year)	9/15/1981

Source: Woodbridge Irrigation District.

Litigation. The District is currently involved in a declaratory action with EBMUD concerning the interpretation of the District's entitlement to certain quantities of excess water above the District's 60 TAF entitlements. The action is currently being appealed.

Water Diversions and Uses

The District's water supply is released from the EBMUD Camanche Reservoir into the Mokelumne River from which it can then be diverted at Woodbridge Dam downstream into the District's canal system. The District's record of diversions for the period 1943 through 1974 indicate that more than 100 TAF annually were diverted by the District at the Woodbridge Dam during all but six years. However, since 1975, diversions have sharply declined. During the 10-year period following the 1976-77 droughts, the average head gate diversions into the Woodbridge Canal amounted to approximately 72.5 TAF per year. For the 10-year period 1988 through 1997, District diversions declined to an average of approximately 56.9 TAF per year. Reductions resulted in part from changing crop practices, including the discontinuation of rice cultivation within the District. The District has also taken various conservation steps in order to operate within its permanent regulated base supply entitlement of 60 TAF per annum.

For a twenty-year history of the District's annual water diversions, see Table 2 herein.

Agricultural Water Use. The approximately 13,000 irrigated acres within the District's service area receive a total of approximately 47.5 TAF of surface water for irrigation in a normal water year. No firm data exists on all the vines and trees grown within the District's service area. The District is presently considered to be fully developed agriculturally even though the total cropped acreage may vary from year

to year depending on cropping patterns and market conditions. For additional discussion of agricultural water use within the District, see “WATER SYSTEM FINANCIAL INFORMATION – Irrigation Water Sales.”

Municipal and Industrial Use. The cities of Lodi and Stockton have contracts with the District for 6 TAF and 6.5 TAF respectively, on an annual basis, as water is available. If the desired amount of water cannot be provided to a municipality, that water may be banked for future delivery, as supply allows. Even in the most severe shortage conditions, contractually the District may only reduce Lodi’s and Stockton’s deliveries to 3 TAF. Water banked due to reductions in dry years expires if not used within 8 years from the period it is banked.

Water purchased from the District represents approximately 20% of Stockton’s total water production and represents approximately 40% of Lodi’s total water production. For additional discussion of the District’s water sales contracts with Lodi and Stockton, see “DISTRICT FINANCIAL INFORMATION—Water Sales to Lodi” and “—Water Sales to Stockton.”

Environmental Releases. The District participates in facilitating the passage of minimum flows downstream of the Woodbridge Dam for the purposes of anadromous fish. The lower Mokelumne River supports a population of fall run Chinook salmon and steelhead trout. Both fish types are supplemented by an anadromous fish hatchery located downstream of Camanche Dam, the lowest non-passable dam on the Mokelumne River. Operations of Camanche Dam are guided by a Federal Energy Regulatory Commission (“FERC”) ordered settlement agreement. The FERC November 27, 1998 Order “Approving Settlement Agreement and Amending License for the East Bay Municipal Utility District’s Lower Mokelumne River Project No. 2916” approved the Joint Settlement Agreement (JSA) entered into by East Bay Municipal Utility District (EBMUD), U.S. Fish and Wildlife Service (USFWS) and California Department of Fish and Game (now Fish and Wildlife or CDFW). The JSA specifies minimum flow releases from Camanche Dam and expected flow below the Woodbridge Dam based on water year types. The flow schedule may be changed to optimize fishery habitat and other ecosystem values so long as the total quantity of water released in any given year will not be less than the quantity of water provided by the flow requirements for that type of year.

Transfers and Exchanges. The District has supported transfers of water saved in excess of its users’ water needs. Water saved has been transferred to other entities when opportunities for the transfer exist. The transfer of water (pre-1914 water) is allowed for the District to maximize water availability where needed in the region and the State and for the District to earn additional revenue that it can use for system improvements to provide greater efficiency. For example, the District transferred 6 TAF of water to East Bay Municipal Utility District in 1998 that alleviated a shortage due to dry year conditions. More recently was the sale of 2 TAF of water to Contra Costa Water District in August of 2013.

Water System Facilities

The District owns and operates a significant amount of infrastructure required to maintain the flow of high quality Mokelumne River water to its customers. These assets include the Woodbridge Dam that impounds Lodi Lake, the Moffit Weir on Pixley Slough, the Beaver Slough pump diversion, and a system of canals and pipelines for the purpose of providing water deliveries primarily to agricultural users within the District’s service area. The existence of Lodi Lake provides the necessary flows through the main diversion canal in Woodbridge, which runs underneath Lower Sacramento Road and feeds the vast network

of the canals to the north, west, and south. Fish migrating up and down the Mokelumne River are protected from access to the canal system from a fish screen at the entrance to the diversion canal from Lodi Lake.

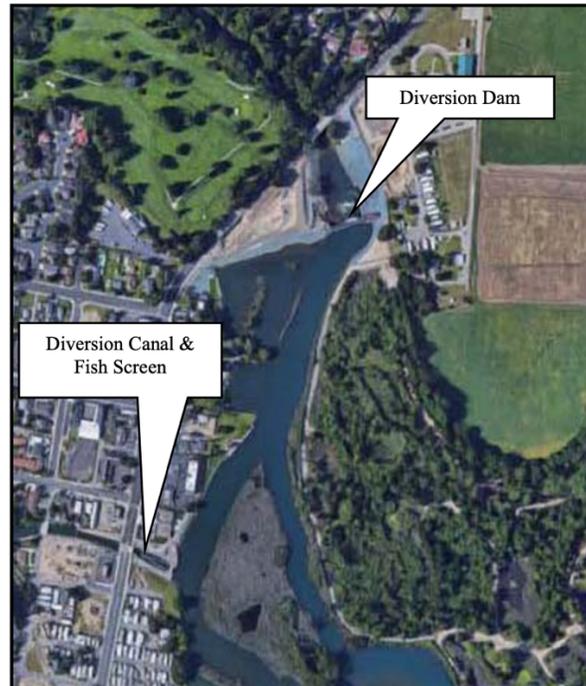
The District serves water to its customers by gravity flows from the head works at the diversion canal in Woodbridge. A gravity diversion is achieved when the dam gates are raised thereby creating the Lodi Lake impoundment, which is approximately 1,400 acre feet in capacity.

The District's distribution system consists of over 100 miles of canals and pipelines. The District's canal system is organized into a Main Canal system with three branches, the South Main Canal, the West Main Canal and the Northwest Main Canal. The District also operates an 18 CFS pump station for diversion of water from Beaver Slough just south of the town of Thornton, which can supply water to Thornton area agricultural lands. The District's Beaver Slough pumped diversion can yield up to 8 TAF a year. The District's diversion Moffit Weir at Pixley Slough, in the north Stockton area, regulates and reservoirs water for agricultural deliveries through a small portion of the District's lands. The pumps at Beaver Slough are used to supplement the Mokelumne in all years and may provide the total supply to the Thornton Pocket area (in the northwest sector of the District's service area) in dry years when the District only receives 39 TAF from the Mokelumne.

The District has invested millions of dollars in an automated control system to operate its diversion dam, fish screen and canal gate control system, and Wilkerson agricultural and municipal canal system. The system is called SCADA and the acronym stands for "Supervisory Control and Data Acquisition" which uses computers, motor control gates, via a radio telemetry control system to provide automatic operation and data. The system has saved water, reduced labor costs, and provided reliable and accurate control of water elevations in the reservoir and canal systems, as well as downstream flows in the Mokelumne River.

The following image shows the location of the Woodbridge Dam and the Diversion Canal located within the unincorporated area of Woodbridge. Lodi Lake, created by the Woodbridge Dam sits to the south of the area pictured.

WOODBIDGE DAM AND DIVERSION CANAL



Source: Woodbridge Irrigation District.

Operating Rules and Regulations, Conservation

Metering. The District meters all diversions of water on a volumetric basis at the point of use. The District uses a flow probe meter, in-line meters, or other appropriate devices to measure and compute the number of acre feet used.

Irrigation customers pay a base-rate charge (based on type of crop) at the time of contract initiation to receive water from the District. If by the end of the season, the irrigation customer uses more than the water included in the base rate, the grower will pay additional charges for excess water used. If the grower uses less water than included in the base rate, he will be eligible for a refund for up to 50% of the amount of the base rate.

The District's municipal customers, the cities of Lodi and Stockton, each receive water on a bulk basis and are required to meter the water and provide a meter signal back to the District on a continual basis. The municipal customers also provide monthly totalized statements on water flow that the District uses to track water use and plan water deliveries.

Conservation Programs. The District's "Rules and Regulations" provide for strict conservation of water in all years. The intentional spillage of irrigation water by growers can cause a grower to be shut off, lose a turn in line, or cause a denial of service. Once an irrigation has begun, growers must use the water

continually until irrigations are complete. Growers are charged for spilled water through the canal gate metering program. Additionally, growers must maintain and clean their ditches to irrigate in the shortest amount time. In cases where ditches are not maintained in proper condition, growers may be denied water service.

The District's has implemented a weed control program to control weed growth above and below the water line on canal banks, waterways, and adjacent rights of way. In overgrown canals, weeds restrict water flow and their roots perforate the canal walls and can undermine the integrity of levees. With dense weed growth, higher water elevations are necessary to overcome the resistance to water flow; increasing the surface profile and wetted surface area of the canal thereby increasing evaporation and transpiration rates.

The District is converting certain of its irrigation canals and ditches to piping. Conversion to piping prevents groundwater percolation losses as well as evaporative losses, which increase as temperatures rise. The District also lines certain of its canals, as canal lining is a less capital-intensive method to reduce seepage into the ground. Canal-lining, however, does not reduce water evaporation and does reduce groundwater recharge that occurs as a result of this percolation.

The District continues to adopt canal automation to increase its water supply reliability and its flexibility to deliver water at the time, quantity, and duration required by the grower. The District employs new technology and equipment to optimize management of water-related infrastructure for water conservation. Supervisory control and data acquisition ("SCADA") systems enable the District's personnel to collect data to a centralized location and operate automated canals to achieve desired water levels, flow rates, and also to increase the efficiency in reservoir operation. In addition, automated control negates the need for manual operation and allows the District to quickly coordinate system operations, and reduce costs.

The District assesses a \$2/acre groundwater recharge fee on all agricultural properties within the District. Two exceptions to this are those parcels located in the Thornton Pocket (due to the naturally high level of groundwater in the area) and the southernmost sector of District overlain by the city of Stockton. The collected groundwater recharge fees are then utilized to assist growers with installing drip irrigation systems through its drip screen box program and technical assistance in the design of the system.

Drought

Over the years, the Mokelumne River watershed has experienced periods of extreme drought and wet periods. The drought periods present problems of little or no snow melt for filling reservoirs and providing adequate water supplies for Mokelumne River water right holders, environmental uses, and the District. The Mokelumne River watershed drains approximately 2,143 square miles and lies mostly in parts of Alpine, Amador, Calaveras, San Joaquin, and Sacramento Counties. The average stream flow measured at the Mokelumne Hill Station is approximately 996 CFS. The highest discharge was 41,300 CFS, and the lowest measured was 9 CFS. For a chart showing the history of runoff into the Mokelumne River, see "DISTRICT WATER SYSTEM—Water Supply."

The District and its predecessors have supplied water for irrigation purposes dating back to 1891. As described in DISTRICT WATER SYSTEM—Water Supply, the District's agreements with EBMUD currently provide 60 TAF of water in most years and 39 TAF in extremely dry years. When the inflow into EBMUD's Pardee Reservoir is 375 TAF per year or greater, the District receives 60 TAF per year. When the inflow into Pardee Reservoir is less than 375 TAF (an extremely dry year), the District's entitlement is

reduced to 39 TAF per year in that year. There is no provision by which EBMUD is permitted to deliver less than 39 TAF to the District during drought conditions.

The District's planning for years of drought centers on conservation efforts and use of technology to maximize either normal or dry year entitlements of 60 TAF or 39 TAF respectively, from EBMUD. The District's obligations require it to provide as much water as appropriate to its agricultural uses. The District is allowed to curtail water deliveries to its municipal customers by half during periods of extreme drought.

The incidence of drought conditions triggering a reduced water supply has been infrequent over the past 20 years. In 2014, 2015, and 2021 the District's Mokelumne River supply was reduced to 39 TAF. There is no provision by which EBMUD is permitted to deliver less than 39 TAF to the District during drought conditions and EBMUD has never failed to divert at least 39 TAF to the District in any year.

[DISCUSSION OF RESPONSE TO 2021 DROUGHT CONDITIONS?]

Dry year flows can be supplemented from other sources including pumping from Beaver Slough and Mosher Slough. The District has water rights to pump 18 CFS from Beaver Slough, a tributary of the Mokelumne River in the Sacramento-San Joaquin Delta north of Thornton for use within the Thornton area. Water pumped from Beaver Slough augments water supplied from the Mokelumne River and has been especially important in dry years. The District can pump water from Mosher Slough at a rate of approximately 5 CFS.

The District will also consider investments in ground water banking opportunities and possible agreements for banking with neighboring water agencies that may include San Joaquin County, Lodi, Stockton, the North San Joaquin Water Conservation District, and EBMUD.

Water Quality

The Safe Drinking Water Act ("SDWA") was amended on August 6, 1998 to include "systems providing water for human consumption that delivers water by constructed conveyances such as irrigation canals." The District's Lodi Water Sales Agreement and Stockton Water Sales Agreement each specify that the water being supplied to each of Lodi and Stockton is raw water diverted from the Mokelumne River, that the character or quality of the water furnished thereunder may vary from time to time, and that the District does not guarantee the character or quality of the water furnished to Lodi and Stockton.

DISTRICT FINANCIAL INFORMATION

Summary of District Revenues

Component Breakdown. About ten percent of the District's revenues each year come from irrigation water fees, 65 percent from combined water sales to the cities of Lodi and Stockton, 14 percent from property taxes, and another three percent comes from water standby and recharge fees. The remaining 7 percent comes from investment earnings and other operating revenues.

The following table shows a 5-year history of the District's revenue structure.

Table 1
WOODBRIIDGE IRRIGATION DISTRICT
5-YEAR HISTORY OF DISTRICT REVENUE STRUCTURE
(By Percentage of Total Revenues)

	Year Ending December 31,					5-Year Average
	2017	2018	2019	2020	2021	
REVENUES						
Irrigation Tolls	10.6%	10.6%	10.0%	9.2%	<u>10.9%</u>	<u>10.3%</u>
Water Sales – Lodi	32.2	31.7	28.7	29.1	<u>30.9</u>	<u>30.5</u>
Water Sales – Stockton	34.2	33.7	35.7	38.0	<u>33.1</u>	<u>35.0</u>
Standby and Recharge Fees	4.0	3.8	3.3	3.4	<u>3.4</u>	<u>3.6</u>
Property Taxes	14.4	14.3	14.4	13.8	<u>15.9</u>	<u>14.6</u>
All Other	4.6	5.9	5.8	6.5	<u>5.4</u>	<u>5.6</u>
Capital Contributions	0.0	0.0	2.0	0.0	<u>0.0</u>	<u>0.4</u>
Total Revenues	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: Woodbridge Irrigation District.

Note: Totals may not add due to rounding.

Historical Water Sales and Diversions. The following table presents a history of the water sold and revenue received with respect to the District’s water operations since 2002. Agricultural sales have shifted to water conserving drip irrigation which, together with dry years and conservation, have held irrigation water consumption and revenue at steady levels.

Table 2
WOODBIDGE IRRIGATION DISTRICT
HISTORICAL WATER SALES AND TOTAL DIVERSIONS
2002 to 2021

Year	Irrigation Customers			Municipal Customers		Total AF Diverted
	Number of Contracts	Acres	Agriculture Revenue	City of Lodi Revenue	City of Stockton Revenue	
2002	347	11,225	\$405,597	\$3,000,000	—	57,637
2003	308	10,252	362,369	1,200,000	—	55,978
2004	224	10,861	369,000	1,200,000	—	59,892
2005	223	10,473	382,000	1,200,000	—	79,300
2006	180	9,757	306,038	1,200,000	—	60,000
2007	184	10,739	325,837	1,200,000	—	58,000
2008	190	10,717	315,615	1,200,000	—	60,000
2009	196	10,830	335,197	1,200,000	—	60,000
2010	206	11,596	354,774	1,224,000	\$1,300,000	48,605
2011	196	11,240	341,595	1,248,480	1,326,000	52,241
2012	181	10,932	287,095	1,273,450	1,352,520	46,287
2013	221	12,101	303,954	1,298,919	1,400,727	57,712
2014	189	10,722	387,646	1,324,897	1,407,162	39,025
2015	193	11,304	422,673	1,351,395	1,456,462	39,496
2016	188	12,061	443,316	1,378,423	1,485,168	63,930
2017	185	12,420	403,746	1,405,991	1,493,291	86,335
2018	197	12,897	428,566	1,434,111	1,523,157	78,827
2019	180	12,692	460,487	1,463,000	1,907,000	68,702
2020	200	12,924	431,093	1,492,049	1,853,470	62,109
2021	<u>188</u>	<u>12,985</u>	<u>539,434</u>	<u>1,532,289</u>		<u>39,000</u>

Source: Woodbridge Irrigation District.

Water Sales to Lodi. In 2003 the District entered into an agreement with Lodi (the “Lodi Water Sales Agreement”) wherein the District agreed to provide Lodi with 6 TAF of water a year. The Lodi Water Sales Agreement is a take-or-pay agreement and Lodi is obligated to pay the District at least \$1,200,000 annually for water. The initial term of the agreement was for 40 years. In January of 2008, the District and Lodi amended the Lodi Water Sales Agreement to, among other matters, extend the Lodi Water Sales Agreement to October 15, 2047. For additional discussion of the Lodi Water Sales Agreement, see “Water Sales to Lodi.”

Water Sales to Stockton. In 2009 the District and Stockton entered into an agreement (the “Stockton Water Sales Agreement”) wherein the District agreed to provide Stockton with 6.5 TAF of water a year. The Stockton Water Sales Agreement is a take-or-pay agreement and Stockton is obligated to pay the District at least \$1,300,000 annually for water. The Stockton Water Sales Agreement extends 40 years commencing to 2049. The Stockton Water Sales Agreement includes a provision for an increase in water supply as District-served agricultural lands in the northern part of Stockton are annexed to Stockton. Under the Stockton Water Sales Agreement, an additional 6.5 TAF per year of water supply from the District will

become available to Stockton at a rate of 3.0 AF per year per acre annexed. The District's total diversions to Stockton under the Stockton Water Sales Agreement may increase from 6.5 TAF to 13.0 TAF by 2025. For additional discussion of the Stockton Water Sales Agreement, see "Water Sales to Stockton."

Irrigation Water Sales

About 10 percent of the District's revenues each year come from sales of water to irrigation customers. The District's water service territory is generally bounded on the north by the Mokelumne River, on the east by Lodi and State Highway 99, on the south by Stockton and the Calaveras River and on the west by the easterly fringe of the Sacramento-San Joaquin Delta. There are approximately 40,442 total acres of land within the legal boundaries of the District. For a map of the District's boundaries, see the map presented in the front of this Official Statement.

The District currently provides water service to approximately 13,000 planted acres within its boundaries. The District is the sole provider of surface water for irrigation within its service area, however certain agricultural customers within the District have the ability to utilize pumped groundwater through their own groundwater wells. In 2021, 12,985 net acres within the District were irrigated. The District is presently considered to be fully developed even though the total cropped acreage may vary from year to year depending on cropping patterns and market conditions.

Irrigation customers are required to sign water contracts with the District annually prior to receiving water. The District's ditch tender staff are responsible for filling the orders and coordinating with the District's customers to arrange for the exact location, time, and quantity of water to be delivered. Once water is delivered to the customer's turnout, the customer is responsible for applying the water and, upon completion of the irrigation, placing an order with the District to shut the water off. The District's ditch tender staff is required to maintain a written record of each irrigation.

Crop Makeup. The following table lists the agricultural production by acreage and valuation in the District's water service area for 2021.

Table 3
WOODBRIIDGE IRRIGATION DISTRICT
CROP REPORT
Year ending December 31, 2021

<u>Crop</u>	<u>Planted Acres ⁽¹⁾</u>	<u>% of Total Acreage</u>	<u>Valuation</u>
<u>Alfalfa</u>	<u>766</u>	<u>5.90%</u>	<u>\$ 1,037,930</u>
<u>Wheat/Oats/Cereal</u>	<u>365</u>	<u>2.81</u>	<u>189,595</u>
<u>Pasture and Clover</u>	<u>126</u>	<u>0.97</u>	<u>522,984</u>
<u>Orchard</u>	<u>3,014</u>	<u>23.21</u>	<u>44,308,101</u>
<u>Vineyard</u>	<u>5,366</u>	<u>41.32</u>	<u>24,145,290</u>
<u>Pond</u>	<u>31</u>	<u>0.24</u>	<u>6,200</u>
<u>Corn</u>	<u>1,023</u>	<u>7.88</u>	<u>907,117</u>
<u>Tomato</u>	<u>544</u>	<u>4.19</u>	<u>2,153,504</u>
<u>Miscellaneous</u>	<u>1,750</u>	<u>13.48</u>	<u>4,005,000</u>
<u>Total</u>	<u>12,985</u>	<u>100.00%</u>	<u>\$77,275,721</u>

Source: Woodbridge Irrigation District Crop Report.

Note: 2021 data is unaudited.

(1) The table does not contain any double cropped acres.

Largest Irrigation Customers. The following table above shows the District’s ten largest irrigation customers for 2021 out of a total of 188 irrigation customers. The top 10 irrigation customers comprise approximately 51.9% of all irrigation water sales revenues for 2021. Many of the growers and the lands served by the canal system have purchased water from the District for over 30 years or more.

Table 4
WOODBRIDGE IRRIGATION DISTRICT
TEN LARGEST IRRIGATION CUSTOMERS
Fiscal Year Ended December 31, 2021

	<u>Customer</u>	<u>2021 Revenues</u>	<u>% of Total 2021 Revenues</u>
1.	<u>Van Exel Dairy PTP</u>	<u>\$ 81,522</u>	<u>15.11%</u>
2.	<u>Olagaray, Frank & Lorna Friedel</u>	<u>36,772</u>	<u>6.82</u>
3.	<u>Klein Ranch Operations</u>	<u>23,274</u>	<u>4.31</u>
4.	<u>Lodi Farms</u>	<u>22,800</u>	<u>4.23</u>
5.	<u>Ashley Lane LP</u>	<u>22,005</u>	<u>4.08</u>
6.	<u>Stokes Farms</u>	<u>20,854</u>	<u>3.87</u>
7.	<u>Abbate, Paul</u>	<u>19,736</u>	<u>3.66</u>
8.	<u>West Coast Grap Farming</u>	<u>18,800</u>	<u>3.49</u>
9.	<u>Lucero Farms, LLC</u>	<u>17,378</u>	<u>3.22</u>
10.	<u>DeSnayer Dairy</u>	<u>16,822</u>	<u>3.12</u>
	<u>Total Top 10</u>	<u>\$279,968</u>	<u>51.90%</u>
	<u>Total All Customers</u>	<u>\$539,434</u>	<u>100.00%</u>

Source: Woodbridge Irrigation District

Note: Totals may not add due to rounding. 2021 data is unaudited.

Irrigation Rates and Charges. The Irrigation District Law permits the District to establish and collect rates and charges, including charges for water delivered, standby charges and groundwater recharge fees for the water made available by the District. The District’s water rates are established by the District’s Board. The rates established by the District are not subject to approval by any State or federal agency. See “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” for a discussion of certain constitutional limitations on the District’s water rates.

The table below sets forth the District’s water rates for the last twenty Fiscal Years.

Table 5
WOODBRIIDGE IRRIGATION DISTRICT
HISTORICAL RATES
2001 to 2021

<u>Year</u>	<u>Irrigation Water Rates (per acre-foot)</u>
2001	\$13.99
2002	15.38
2003	15.38
2004	15.38
2005	15.38
2006	15.38
2007	15.38
2008	15.38
2009	15.38
2010	16.14
2011	16.14
2012	16.14
2013	16.14
2014	18.25
2015	19.25
2016	20.25
2017	21.25
2018	22.23
2019	23.25
2020	24.25
2021	<u>25.25</u>

Source: Woodbridge Irrigation District

Billing for water service to agricultural users is done on a semi-annual basis. A signed water contract including at least one-half of the payment for water charges must be made prior to any water delivery. The second half payment is due on October 1st of each year. Tenant growers must pay in full unless such water contract is co-signed by the landowner. If the second half payment of the bill has not been paid by October 1st of the year, the bill is delinquent and the District may commence suit to enforce payment of the amount due, or any part thereof, and obtain a judgment for the District. Service is discontinued in the current or future year until the delinquent billing is paid. The account becomes uncollectible only if a landowner declares bankruptcy.

Standby Charges and Groundwater Recharge Fees. A standby charge and a groundwater recharge fee are levied against certain lands in the District that have been determined to benefit from the District’s operation of the canal system. The standby charge of \$5.00 per acre is levied against all lands within the District to which water is available from the District canal system. A groundwater recharge fee of \$2.00 per acre is charged upon all lands within a large, defined area of the District, whose groundwater supply is recharged as a result of canal seepage from the District’s canals from the infiltration of District water applied to crops, and from the relieving of pumping by surface water users taking water from the District’s canal system. The standby charge and groundwater recharge fees comprise approximately 5% of the District’s total annual revenues for water sales. The annual amount of the standby charge and the groundwater

recharge fee is billed to landowners, which amount may be paid in two installments, the first installment before May 1st and the second installment before October 1st of each year. If these charges are not paid before these dates, they are declared to be delinquent and in arrears. The District is authorized to deny the delivery of water to any lands which are delinquent on standby charges or groundwater recharge fees until the delinquent charges are paid.

Delinquencies. The District has historically had very low delinquency rates. In the case of irrigation water service delinquencies, the District is able to shut off water service and take claims to small-claims court. Unpaid and delinquent standby charges or groundwater recharge fees are considered to be liens against the property and may be placed by the District on the San Joaquin County tax roll for collection with the County property taxes levied against the property.

The Board of Supervisors of San Joaquin County have 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. Under the Teeter Plan, each taxing entity receives 100% of the taxes and assessments levied, without regard to delinquencies.

~~The District’s rates and charges are currently covered under the County’s Teeter Plan. However, there can be no assurance that the County will not choose to discontinue the Teeter Plan in the future or modify its Teeter Plan to exclude or limit the coverage for irrigation districts, or choose to remove the District from its Teeter Plan coverage. At the date of this Official Statement, no such discontinuation or removal is under consideration.~~

~~No information is available from the County regarding actual delinquency rates. All enforcement and collection is handled by the County. The District has no independent procedure for enforcing the collection of its rates and charges.~~

Factors Generally Affecting Irrigation Water Sales Revenues. A number of factors, including but not limited to weather conditions, crop prices, disease and crop predation, Federal and State agricultural and environmental policies, national and international trade policies, soil quality, drainage or other soil conditions, operational conditions as well as general economic conditions may adversely affect the ability of some ratepayers or property owners to pay for water, standby charges and ground water charges. If one or a combination of these factors adversely impacts the ability of the owners or ratepayers to make such payments, the collection of irrigation water rates and related charges would decline.

Water Sales to Lodi

Generally. To avoid being wholly dependent upon groundwater wells and the possible impacts of eventual overdraft of the groundwater supply, Lodi made a commitment in 2003 to purchase surface water supply from the District. In addition to water purchased from the District, Lodi obtains the balance of its municipal water supply from groundwater wells located in Lodi, extracting water from the underground aquifer, which is replenished in part by flows of the Mokelumne River. Since Lodi began purchasing surface water from the District, its supply mix has steadily decreased its reliance on groundwater, from 100% of the urban demand in water year 2012 to approximately 60% in recent years.

The Lodi Water Sales Agreement provides for the purchase of 6 TAF per year, for which Lodi pays the District \$1.2 million annually. The initial term of the Lodi Water Sales Agreement was for 40 years. In January 2008, the District and Lodi amended the Lodi Water Sales Agreement to, among other matters,

extend that agreement for four years to October 2047. Lodi's payments under the Lodi Water Sales Agreement are treated as Operation and Maintenance Costs of Lodi's Municipal Water System.

Summary of Terms of Lodi Water Sales Agreement. Pursuant to the Lodi Water Sales Agreement, the District agreed to make available to Lodi 6 TAF of water per year beginning in the calendar year which first followed the entry of a final judgment confirming the validity of the Lodi Water Sales Agreement. Beginning in that year, Lodi agreed to pay the District \$300,000 on the first day of each calendar quarter of such year and on the first day of each calendar quarter thereafter (\$1,200,000 annually). The validation judgment was entered in July, 2003, and those payments by Lodi were commenced in 2004 and have since been made quarterly to the District as required by the Lodi Water Sales Agreement. Lodi will make such payments irrespective of whether Lodi takes the water made available to it under the Lodi Water Sales Agreement and irrespective of whether the District has water available for delivery to Lodi; provided that the District will use its best efforts to provide to Lodi the amounts of water provided for in the Lodi Water Sales Agreement. Interest on arrearage in payment will be charged at a rate of 1.5% per month commencing 45 days after the due date of the payment. The Lodi Water Sales Agreement also provides that the amounts payable to the District will be increased by 2% per year. In the event that the annual change in the Consumer Price Index (CPI-W, unadjusted U.S. average) published in December of each year by the United States Bureau of Labor Statistics, commencing in December in the year preceding such seventh year, has increased more than 2% above the December Index of the prior year, the increases in the amounts payable in the ensuing year will be in the percentage of that increase; provided, that any such annual increase will not exceed 5%. The Lodi Water Sales Agreement remains in effect until October 15, 2047 (subject to renewal).

Lodi will make payments to the District under the Lodi Water Sales Agreement solely from the Revenues (as hereinafter defined) of, and as an operating expense of, the Lodi Municipal Water System (as hereinafter defined). Lodi pledges the Revenues to the payments required under the Lodi Water Sales Agreement. Nothing in the Lodi Water Sales Agreement will prohibit Lodi from using any other funds and revenues for purposes of satisfying any provisions of the Lodi Water Sales Agreement. So long as Lodi is in compliance with all of its obligations under the Lodi Water Sales Agreement, such pledge will not prevent its application of Revenues of the Lodi Municipal Water System to other operating expenses of the Lodi Municipal Water System or, subject to the payment of such operating expenses, to other lawful purposes, or impair the rights of any recipient of Revenues of the Lodi Municipal Water System lawfully so applied.

"Revenues" of the Lodi Municipal Water System generally means all gross income and revenue received or receivable by Lodi from the ownership and operation of the Lodi Municipal Water System, which gross income and revenue will be calculated in accordance with generally accepted accounting principles, including all rates, fees and charges received by Lodi for water service and connection and hook-up fees and all other income and revenue howsoever derived by Lodi from the ownership and operation of or arising from the Lodi Municipal Water System, but excluding in all cases any proceeds or taxes and any refundable deposits made to establish credit, federal or state grants, or advances or contributions in aid of construction.

"Lodi Municipal Water System" means the municipal water system of Lodi existing on the date of execution of the Lodi Water Sales Agreement and all additions, betterments, extensions and improvements thereto thereafter acquired or constructed.

The water will be delivered by the District to Lodi at a point on the District's canal system at a mutually agreeable location and will be delivered during the period from March 1 to October 15. Lodi will provide to the District, by January 1 of each year, an estimate of the maximum amount of water anticipated

to be needed by Lodi during each month for that year from March 1 through October 15, which schedule will be subject to the District's approval. The District will supply such water on the approved monthly schedule, provided that Lodi will to the extent that its operations permit, schedule the taking of as much of Lodi's entitlement of water from the District that year prior to July 1 as feasible, but in any event not less than 3 TAF of water.

At such times as it is possible for the District to deliver water during the remaining months of the year, or to deliver water in excess of 6 TAF during the period from March 1 through October 15, then by mutual agreement of the parties, delivery of such water to Lodi may be made by the District. Lodi will pay the District \$100 per acre-foot for any such additional water delivered to Lodi.

Also at Lodi's request, the District will divert from the Mokelumne River at the District's Woodbridge Diversion Dam and wheel and convey through the District's canal system to Lodi's delivery point, any non-District water acquired by or available to Lodi, subject to the District having available capacity for that purpose and subject to Lodi paying a per acre-foot charge in an amount which the District determines to be its costs for such service. The District's preliminary estimated costs for such service in year 2012 with the existing Woodbridge Dam would be approximately \$25 per acre-foot.

The District has determined that the water to be made available annually for delivery to Lodi pursuant to the Lodi Water Sales Agreement will be surplus to the needs of the District during the term of the Lodi Water Sales Agreement pursuant to Section 22259 of the Irrigation District Law. The Lodi Water Sales Agreement provides that no permanent right to the water supplied by the District will accrue to Lodi except pursuant to and as limited by the terms of such agreement.

The District agrees that it will deliver 6 TAF per annum to Lodi under the Lodi Water Sales Agreement, except to the extent that the District's regulated base supply of 60 TAF under its agreement with EBMUD is reduced in dry years by 35%. (See "Water Supply" above.) In the event of such a reduction, the District may reduce the amount of water to be provided under the Lodi Water Sales Agreement by up to 50% in that year.

The District will on or about May 1 of each year make a preliminary estimate of whether Lodi's deliveries may be curtailed that year, and will provide a final estimate including any curtailed amounts on or about July 1. In such event, Lodi will only be obligated to take 50% of its estimated delivery before July 1 in that year. There will be no reduction in the amount of Lodi's annual payment to the District in such years.

Unused water may not be carried over by Lodi from year to year except that the right to receive water may be "banked" as follows:

(a) For the first nine years in which water was available to Lodi under the Lodi Water Sales Agreement, Lodi did not take the water but received credits (water bank fund) of 54 TAF of water for later delivery during the term of the Lodi Water Sales Agreement, at such times as the District has surplus water available as determined solely by the District. There will be no additional charge for the delivery of such banked water.

(b) If, after such initial nine years delivery of water to Lodi is curtailed by reason of a dry year condition or by District's maintenance or other District activities, then Lodi may carry over and have credit for the amount of such curtailment for later delivery at such time(s) as the District has extra water available as determined by the District. Any Lodi credits for curtailed segments after the first nine years of carryover

water will expire at the end of eight years from the end of the period in which the curtailment for that segment of curtailed water occurred. Such credits for the delivery of curtailed carryover water within said eight-year period may extend beyond the termination of the Lodi Water Sales Agreement. There will be no additional charge for the delivery of such banked water.

(c) Except as provided above, no credits will accrue for water that is available to but is unused by Lodi.

Certain Financial Information Concerning Lodi's Municipal Water Enterprise. Below are tables containing the top 10 customers of Lodi's Municipal Water System for the most recent fiscal year and a five-year history of Lodi's Municipal Water System's revenues, expenses, and debt service coverage. Tables 6 and 7 have been derived from sources the District believes to be accurate, but has not independently verified as to accuracy. Reference should be made to Lodi's complete audited financial statements.

Table 6
LODI MUNICIPAL WATER SYSTEM
TEN LARGEST RATE PAYERS
Fiscal Year Ending June 30, 2020

	Customer	Type	Amount of Revenue	% of Total Revenue
1.	City of Lodi	Government	\$ 578,040	4.13%
2.	Lodi Unified School District	School	377,079	2.70
3.	Pacific Coast Producers	Fruit Canning	211,124	1.51
4.	Lodi Memorial Hospital	Hospital	64,737	0.46
5.	Treehouse Foods	Bakery	38,284	0.27
6.	Lodi Wine & Business Center	Tourism Center	29,173	0.21
7.	Casa De Lodi	Mobile Home Park	28,308	0.20
8.	All State Packers	Produce Grower/Shipper	28,226	0.20
9.	Temple Baptist Church	Church	23,247	0.17
10.	Blue Shield of California	Health Insurance	20,901	0.15
	Total Top 10		<u>\$ 1,399,119</u>	<u>10.00%</u>
	Total System		<u>\$14,191,983</u>	<u>100.00%</u>

Source: City of Lodi Continuing Disclosure Report for the Fiscal Year Ended June 30, 2020.

Table 7
LODI MUNICIPAL WATER SYSTEM
HISTORICAL SUMMARY OF REVENUES,
EXPENSES AND DEBT SERVICE COVERAGE

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
GROSS REVENUES⁽¹⁾					
Water Sales	\$ 12,161,186	\$ 12,473,676	\$ 13,005,023	\$ 13,344,473	\$ 14,191,983
Investments	166,791	132,364	99,018	448,331	1,349,726
Water Impact Mitigation Fees	332,765	206,847	362,481	528,885	618,182
Meter Retrofit Installation Charges	76,103	19,255	21,577	33,347	94,603
Other Revenues	287,839	1,011,756	932,652	1,095,363	711,600
Total Gross Revenues	<u>13,024,684</u>	<u>13,843,898</u>	<u>14,420,751</u>	<u>15,450,399</u>	<u>16,966,094</u>
OPERATION AND MAINTENANCE COSTS					
Personnel Services	2,515,542	2,998,026	2,833,892	3,014,211	5,764,168
Supplies, Materials and Services ⁽¹⁾	3,008,676	3,468,229	3,220,625	3,339,632	2,752,719
Utilities	496,316	453,488	518,271	537,561	591,810
Administrative Overhead	780,000	813,000	820,560	821,900	831,530
Total Operation and Maintenance Costs	<u>6,800,534</u>	<u>7,732,743</u>	<u>7,393,348</u>	<u>7,713,304</u>	<u>9,940,227</u>
NET REVENUE AVAILABLE FOR DEBT SERVICE	6,224,150	6,111,155	7,027,403	7,737,095	7,025,867
DEBT SERVICE					
2010 Bonds	2,351,580	2,308,061	2,305,611	2,307,111	2,343,504
2020 Bonds	-	-	-	-	88,644
Total Debt Service	<u>2,351,580</u>	<u>2,308,061</u>	<u>2,305,611</u>	<u>2,307,111</u>	<u>2,432,148</u>
DEBT SERVICE COVERAGE	2.65x	2.65x	3.05x	3.35x	2.89x
NET REVENUES AFTER DEBT SERVICE	3,872,570	3,803,094	4,721,792	5,429,984	4,593,719

Source: City of Lodi Continuing Disclosure Report for the Fiscal Year Ended June 30, 2020.

(1) Includes payments to the District under the Lodi Water Sales Agreement.

Water Sales to Stockton

Generally. Prior to purchasing water from the District, Stockton obtained its municipal water supply from groundwater wells located within Stockton and from Stockton’s Delta Water Supply Project (“DWSP”). In order to acquire an additional supplemental surface water supply to augment flows from the Delta in periods where Stockton cannot divert due to fishery impacts, Stockton entered into the Stockton Water Sales Agreement with the District on January 22, 2008. The Stockton Water Sales Agreement runs for a term of 40 years with one 40-year option to extend. Subsequently, on May 13, 2010, the District and Stockton entered into an amendment to the Stockton Water Sales Agreement to extend the commencement date of payments by Stockton to the District.

Pursuant to the Stockton Water Sales Agreement the District is required to make available to Stockton 6.5 TAF per annum of surplus Mokelumne River water Stockton is required to pay to the Irrigation District \$200 per acre-foot, increased annually by an amount not to exceed 3% per year, commencing January 1, 2011 (or \$1.3 million per annum), irrespective of whether Stockton takes the water available under the Stockton Water Sales Agreement, and to construct certain capital improvements to measure and take delivery of the water. The raw water purchased pursuant to the Stockton Water Sales Agreement is available Stockton from March 1 through July 31 of each year to supplement water sources when pumping from the Delta is restricted. The District delivers water diverted from the Mokelumne River to Stockton at the Delta Water Supply Project treatment plant at the District’s turnout box located on

Wilkerson Lateral and part of the District's canal system. This water is treated at Stockton's Water Treatment Plant, meets all requirements set by the State and Federal government, and is distributed to Stockton's water customers. Stockton's payments under the Stockton Water Sales Agreement are treated as Operation and Maintenance Costs of Stockton's Municipal Water System.

Summary of Terms of Stockton Water Sales Agreement. Pursuant to the Stockton Water Sales Agreement, the District agreed to make available to Stockton 6.5 TAF of water per year. Beginning in 2012, the District delivered 4,500 acre feet of water to Stockton's water treatment plant. Starting in 2010, Stockton agreed to pay the District \$325,000 on the first day of each calendar quarter of such year and on the first day of each calendar quarter thereafter (\$1,300,000 annually). Stockton will make such payments irrespective of whether Stockton takes the water made available to it under the Stockton Water Sales Agreement and irrespective of whether the District has water available for delivery to Stockton; provided that the District will use its best efforts to provide to Stockton the amounts of water provided for in the Stockton Water Sales Agreement. Interest on arrearage in payment will be charged at a rate of 1.5% per month commencing 45 days after the due date of the payment. The Stockton Water Sales Agreement payments will be increased by 2% per year. In the event that the annual change in the Consumer Price Index (CPI-W, unadjusted U.S. average) published in December of each year by the United States Bureau of Labor Statistics has increased more than 2% above the December Index of the prior year, the increases in the amounts payable in the ensuing year will be in the percentage of that increase; provided, that any such annual increase will not exceed 5%. The Stockton Water Sales Agreement will remain in effect for a term of 40 years and is subject to renewal.

Water not taken in the initial years of the Stockton Water Sales Agreement was allowed to be banked.

Stockton will make payments to the District under the Stockton Water Sales Agreement solely from the Revenues (as hereinafter defined) of, and as an operating expense of, the Stockton Municipal Water System (as hereinafter defined). Stockton pledges the Revenues to the payments required under the Stockton Water Sales Agreement. Nothing in the Stockton Water Sales Agreement will prohibit Stockton from using any other funds and revenues for purposes of satisfying any provisions of the Stockton Water Sales Agreement. So long as Stockton is in compliance with all of its obligations under the Stockton Water Sales Agreement, such pledge will not prevent its application of Revenues of the Stockton Municipal Water System to other operating expenses of the Stockton Municipal Water System or, subject to the payment of such operating expenses, to other lawful purposes, or impair the rights of any recipient of Revenues of the Stockton Municipal Water System lawfully so applied.

"Revenues" of the Stockton Municipal Water System generally means all gross income and revenue received or receivable by Stockton from the ownership and operation of the Stockton Municipal Water System, which gross income and revenue will be calculated in accordance with generally accepted accounting principles, including all rates, fees and charges received by Stockton for water service and connection and hook-up fees and all other income and revenue howsoever derived by Stockton from the ownership and operation of or arising from the Stockton Municipal Water System, but excluding in all cases any proceeds or taxes and any refundable deposits made to establish credit, federal or state grants, or advances or contributions in aid of construction.

"Stockton Municipal Water System" means the municipal water system of Stockton existing on the date of execution of the Stockton Water Sales Agreement and all additions, betterments, extensions and improvements thereto thereafter acquired or constructed.

The water will be delivered by the District to through the District's Wilkerson Lateral Canal during the period from March 1 to July 31st or longer by mutual agreement. Stockton will provide to the District, by January 1 of each year, an estimate of the maximum amount of water anticipated to be needed by Stockton during each month for that year from March 1 through July 31, which schedule will be subject to the District's approval. The District will supply such water on the approved monthly schedule, provided that Stockton will to the extent that its operations permit, schedule the taking of as much of Stockton's entitlement of water from the District that year prior to July 1 as feasible, but in any event not less than 3 TAF of water.

At such times as it is possible for the District to deliver water during the remaining months of the year or to deliver water in excess of 6.5 TAF during the period from March 1 through July 31, then by mutual agreement of the parties, delivery of such water to Stockton may be made by the District. Stockton will pay the District \$100 per acre-foot for any such additional water delivered to Stockton.

Also at Stockton's request, the District will divert water from the Mokelumne River at the District's Woodbridge Diversion Dam and wheel and convey through the District's canal system to Stockton's delivery point, any non-District water acquired by or available to Stockton, subject to the District having available capacity for that purpose and subject to Stockton paying a per acre-foot charge in an amount which the District determines to be its costs for such service.

The District has determined that the water to be made available annually for delivery to Stockton pursuant to the Stockton Water Sales Agreement will be surplus to the needs of the District during the term of the Agreement pursuant to Section 22259 of the Irrigation District Law. The Stockton Water Sales Agreement provides that no permanent right to the water supplied by the District will accrue to Stockton except pursuant to and as limited by the terms of such agreement.

The District will on or about May 1 of each year make a preliminary estimate of whether Stockton's deliveries may be curtailed that year, and will provide a final estimate including any curtailed amounts on or about July 1. In such event, Stockton will only be obligated to take 50% of its estimated delivery before July 1 in that year. There will be no reduction in the amount of Stockton's annual payment to the District in such years.

The District agrees that it will deliver 6.5 TAF per annum to Stockton under the Stockton Water Sales Agreement, except to the extent that the District's regulated base supply of 60 TAF under its agreements with EBMUD is reduced in dry years by 35%. (See "Water Supply" above.) In the event of such a reduction, the District may reduce the amount of water to be provided under the Stockton Water Sales Agreement to a minimum of 3 TAF in that year.

Unused water may not be carried over by Stockton from year to year except that the right to receive water may be "banked" as follows:

(a) For the first two years in which water is available to Stockton under Stockton Water Sales Agreement, Stockton did not take the water but received credits (water bank fund) of 8.5 TAF of water for later delivery during the initial 40-year term of the Stockton Water Sales Agreement, at such times as the District has surplus water available as determined solely by the District. There will be no additional charge for the delivery of such banked water.

(b) If, after such initial two years delivery of water to Stockton is curtailed by reason of a dry year condition or by District’s maintenance or other District activities, then Stockton may carry over and have credit for the amount of such curtailment for later delivery at such time(s) as the District has extra water available as determined by the District. Such credits for the delivery of curtailed carryover water within said eight-year period may extend beyond the termination of the Stockton Water Sales Agreement. There will be no additional charge for the delivery of such banked water.

(c) Except as provided above, no credits will accrue for water that is available to but is unused by Stockton.

Bankruptcy of Stockton. Stockton filed for bankruptcy protection on June 28, 2012. Stockton emerged from bankruptcy on February 25, 2015, when Stockton’s plan of adjustment became effective. Throughout its bankruptcy case, Stockton maintained that the revenues of its Municipal Water System qualified as “special revenues” under the United States Bankruptcy Code, and no creditor or party in interest argued otherwise. As a result, all revenues attributable to the Municipal Water System were available solely for Stockton’s Municipal Water System operations, including for payments to the District under the Stockton Water Sales Agreement. At no point were revenues of Stockton’s Municipal Water System diverted to fund Stockton’s general fund operations; nor did Stockton’s general fund borrow funds from Stockton’s Municipal Water System.

Certain Financial Information Concerning Stockton’s Municipal Water Enterprise. Below are tables containing the top 10 customers of Stockton’s Municipal Water System for the most recent fiscal year and a five-year history of Stockton’s Municipal Water System’s revenues, expenses and debt service coverage. Tables 8 and 9 have been derived from sources the District believes to be accurate, but has not independently verified as to accuracy. Reference should be made to Stockton’s complete audited financial statements.

**Table 8
STOCKTON MUNICIPAL WATER SYSTEM
TEN LARGEST RATE PAYERS
Fiscal Year Ending June 30, 2020**

	Customer	Type	Amount of Revenue	% of Total Revenue
1.	Runway Drive, LP	Bottle Water Manufacturer	\$ 605,794	1.16%
2.	NCYCC and CHCF	Correctional Facility	494,902	0.95
3.	Lodi Unified School District	School	314,283	0.60
4.	Aramark - MC 568	Laundry	173,327	0.33
5.	Manteca Unified School District	School	165,090	0.32
6.	San Joaquin County Hospital	Hospital	163,518	0.31
7.	San Joaquin County Sheriff	Law Enforcement	153,972	0.29
8.	San Joaquin Mariners Association LP	Homeowners’ Association	145,933	0.28
9.	Venetian Bridges Stockton LLC	Apartment Complex	129,456	0.25
10.	Marina Village West	Apartment Complex	127,348	0.24
	Total Top 10		<u>\$ 2,473,623</u>	<u>4.73%</u>
	Total System		<u><u>\$52,301,591</u></u>	<u><u>100.00%</u></u>

Source: City of Stockton Continuing Disclosure Report for the Fiscal Year Ended June 30, 2020.

Table 9
STOCKTON MUNICIPAL WATER SYSTEM
HISTORICAL SUMMARY OF REVENUES,
EXPENSES AND DEBT SERVICE COVERAGE

	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
GROSS REVENUES					
Service Charges/User Fees	\$ 32,542,168	\$ 41,516,569	\$ 49,397,250	\$ 48,382,145	\$ 52,301,591
Capital Contributions	1,298,336	1,349,565	3,288,574	2,724,519	3,853,942
Interest Earnings	1,175,374	(14,898)	163,308	834,025	1,754,131
Other Revenues	734,640	791,562	1,192,602	1,107,138	7,776,746
Deposit from Rate Stabilization Fund	2,155,539	(2,100,000)	-	-	-
Total Gross Revenues	<u>37,906,057</u>	<u>41,542,707</u>	<u>54,041,734</u>	<u>53,047,827</u>	<u>65,686,410</u>
OPERATION AND MAINTENANCE COSTS ⁽¹⁾	23,311,842	18,301,964	22,582,407	25,163,197	30,944,042
NET REVENUE AVAILABLE FOR DEBT SERVICE	14,594,215	23,240,743	31,459,327	27,884,630	34,742,368
DEBT SERVICE					
Parity Obligations					
Federal Drought Relief Act Loan	95,342	86,812	-	-	-
CSCDA 2002A Revenue Bonds	328,460	290,223	1,110,063	1,009,951	-
PFA 2005A Water Revenue Bonds	1,150,313	1,150,313	880,866	580,709	-
2010A Variable Rate Demand Water Revenue Bonds	3,319,838	3,314,438	3,441,838	3,441,538	1,791,919
2018 Water Revenue Refunding Bonds	-	-	-	-	11,853,175
2019 Water Revenue Refunding Bonds	-	-	-	-	609,219
Subordinate Obligations					
2009A Water Revenue Bonds	282,750	(5)	-	-	-
2009B Water Revenue Bonds	8,152,261	8,039,338	11,791,794	7,380,973	-
2018 Refunding Green Bonds	-	-	-	2,597,821	-
Total Debt Service	<u>13,328,964</u>	<u>12,881,124</u>	<u>17,224,561</u>	<u>15,010,992</u>	<u>14,254,313</u>
PARITY DEBT SERVICE COVERAGE	2.98	4.80	5.79	5.54	1.44
SUBORDINATE DEBT SERVICE COVERAGE	1.15	2.29	2.21	2.29	1.44
TOTAL DEBT SERVICE COVERAGE	1.09	1.80	1.83	1.86	1.44

NET REVENUES AFTER DEBT SERVICE

Source: City of Stockton Continuing Disclosure Report for the Fiscal Year Ended June 30, 2020.

(1) Includes payments to the District under the Stockton Water Sales Agreement.

Other Revenues

Property Taxes. Article XIII A of the California Constitution, known as Proposition 13, limits the maximum ad valorem tax on real property to 1% of “full cash value” and provides that such tax will be collected by the counties and apportioned to the taxing agencies within its jurisdiction according to State statutes. The District receives a share of the 1% county-wide ad valorem tax collections. The levy and collection of such ad valorem property taxes and subventions have historically provided approximately 10% to 14% of total revenues of the District in each fiscal year. There can be no assurances that future legislation will not reduce or eliminate the District’s share of the 1% county-wide ad valorem property taxes.

As the District’s property tax collections are covered under the County’s Teeter Plan, the District receives 100% of the taxes and assessments levied, without regard to delinquencies. However, there can be no assurance that the County will not choose to discontinue the Teeter Plan in the future. At the date of this Official Statement, no such discontinuation or removal is under consideration.

Outstanding Water System Obligations

Other than the 2013 Certificates, to be refinanced by Bonds of this issue, the District does not have any outstanding loans, obligations, or long-term debt payable from Net Revenues.

Budgetary and Financial Matters

Budgeting Procedures. The District's Board and the Manager/Secretary/Treasurer develop a budget plan based upon the upcoming calendar year. The initial draft budget is presented to the Board beginning in November of the prior year and a final budget is adopted by the Board at the January meeting of the current budget year. An initial draft of the budget shows current year projections and forecasts for the current budget year and future years. Budget information includes revenue and expense projections and detailed notes on accounting definitions and procedures. At the January Board meeting, the annual budget is adopted by the Board by a resolution.

Reserve Policy. The District has an unofficial policy to maintain a reserve equal to one year's expenses. At June 30, 2021, the District had an unrestricted fund balance of \$ _____ or _____ times its 2021 expenses.

Investment Policy. The investment of funds of the District is made in accordance with the District's Investment Policy, most recently approved on January 13, 2022 (the "Investment Policy"). The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to ensure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years.

Debt Management Policy. In accordance with section 8855(i) of the California Government Code the District adopted a debt management policy on January 13, 2022 to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the District's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the District.

Historical Revenues, Expenses and Debt Service Coverage

The following table has been derived by the District on the basis of its audited financial statements for its four most recent fiscal years and unaudited financial data for the year ended December 31, 2021. A copy of the most recent audited financial statements of the District for Fiscal Year ended December 31, 2020, including the unqualified opinion letter of Terry E. Krieg, CPA (the "Auditor") is included as Appendix B hereto. The following summary is qualified in its entirety by reference to the audited financial statements for such years, including the notes thereto. The Auditor has not reviewed the information set forth in the following table.

Table 10
WOODBRIIDGE IRRIGATION DISTRICT
HISTORICAL REVENUES, EXPENSES AND DEBT SERVICE COVERAGE

	Fiscal Year Ending December 31,				
	2017	2018	2019	2020	2021 ⁽¹⁾
OPERATING REVENUES:					
Irrigation Water Sales	\$ 469,574	\$ 480,411	\$ 460,487	<u>\$ 518,687</u>	<u>\$ 539,434</u>
Municipal Water Sales	2,899,282	2,957,268	3,369,257	<u>3,345,519</u>	<u>3,160,887</u>
Water Standby Charges	125,395	122,025	123,219	<u>123,301</u>	<u>123,301</u>
Groundwater Recharge Fees	50,000	48,813	48,821	<u>48,898</u>	<u>48,898</u>
Other Operating Revenues	<u>155,992</u>	<u>171,995</u>	<u>200,710</u>	<u>173,489</u>	<u>178,694</u>
Total Operating Revenue	<u>3,700,243</u>	<u>3,796,129</u>	<u>4,202,494</u>	<u>4,209,894</u>	<u>4,051,214</u>
Other Revenue:					
Property Taxes	579,812	647,611	692,314	<u>749,397</u>	<u>786,963</u>
Interest Income	50,000	52,000	126,140	<u>87,005</u>	<u>85,000</u>
Gain on Sale of Property	<u>10,000</u>	-	11,025	<u>42,000</u>	<u>25,000</u>
Total Other Operating Revenue	<u>639,812</u>	<u>700,111</u>	<u>829,479</u>	<u>878,402</u>	<u>896,963</u>
Total Revenues	<u>4,340,055</u>	<u>4,496,240</u>	<u>5,031,973</u>	<u>5,088,296</u>	<u>4,948,177</u>
OPERATING EXPENSES:					
Personnel Services and Benefits	1,250,832	1,071,107	1,099,706	<u>1,380,000</u>	<u>1,449,000</u>
Vegetation & Weed Control	33,800	13,845	30,544	<u>33,000</u>	<u>33,990</u>
Vehicle O&M	58,764	25,831	38,675	<u>36,000</u>	<u>37,080</u>
Utilities, Insurance, Claims	131,368	45,909	70,854	<u>74,000</u>	<u>75,480</u>
Other Supplies & Expenses	232,632	207,993	211,487	<u>238,000</u>	<u>242,760</u>
Bond Interest Costs	563,224	555,425	544,905	<u>529,000</u>	<u>511,565</u>
Depreciation & Amortization	<u>634,097</u>	<u>653,669</u>	<u>726,905</u>	<u>746,000</u>	<u>755,000</u>
Total Operating Expenses	<u>2,904,717</u>	<u>2,573,779</u>	<u>2,723,076</u>	<u>3,036,000</u>	<u>3,104,875</u>
Net Income	1,435,338	1,744,892	2,308,897	<u>2,052,296</u>	<u>1,843,302</u>
Add back Depreciation Expense	<u>634,097</u>	<u>653,669</u>	<u>726,905</u>	<u>746,000</u>	<u>755,000</u>
Cash Available for Debt Service	<u>2,069,435</u>	<u>2,398,561</u>	<u>3,035,802</u>	<u>2,798,296</u>	<u>2,598,302</u>
Debt Service	823,225	825,425	820,975	<u>819,975</u>	<u>823,575</u>
Debt Service Coverage Ratio	2.51x	2.91x	3.70x	<u>3.41x</u>	<u>3.14x</u>
Net Income After Debt Service	1,246,210	1,573,136	2,214,827	<u>1,978,321</u>	<u>1,762,717</u>

Source: Woodbridge Irrigation District

(1) 2021 data is unaudited.

Projected Operating Results of the District

Estimated projected operating results and debt service coverage for the District for the current and next four Fiscal Years are set forth below. Certain assumptions have been made by the District in the development of the projections. Many of these assumptions are reflected in the projections. While the District believes its assumptions are reasonable, there can be no assurance that the assumed conditions will in fact occur. The District's projections may be affected (favorably or unfavorably) by unforeseen future events. Therefore, the results projected below cannot be assured.

Table 11
WOODBRIIDGE IRRIGATION DISTRICT
PROJECTED REVENUES, EXPENDITURES AND DEBT SERVICE COVERAGE

	Fiscal Year Ending December 31,				
	2022	2023	2024	2025	2026
OPERATING REVENUES:					
Irrigation Water Sales	<u>\$ 484,050</u>	<u>\$ 503,412</u>	<u>\$ 523,548</u>	<u>\$ 544,490</u>	<u>\$ 566,269</u>
Municipal Water Sales	<u>3,318,931</u>	<u>3,385,310</u>	<u>3,453,016</u>	<u>3,522,076</u>	<u>3,592,518</u>
Water Standby Charges	<u>123,301</u>	<u>123,301</u>	<u>123,301</u>	<u>123,301</u>	<u>123,301</u>
Groundwater Recharge Fees	<u>48,898</u>	<u>48,898</u>	<u>48,898</u>	<u>48,898</u>	<u>48,898</u>
Other Operating Revenues	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
Total Operating Revenue	<u>4,155,180</u>	<u>4,240,921</u>	<u>4,328,763</u>	<u>4,418,765</u>	<u>4,510,986</u>
Other Revenue:					
Property Taxes	<u>790,000</u>	<u>805,800</u>	<u>821,916</u>	<u>838,354</u>	<u>855,121</u>
Interest Income	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>
Gain on Sale of Property	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Other Operating Revenue	<u>900,000</u>	<u>915,800</u>	<u>931,916</u>	<u>948,354</u>	<u>965,121</u>
Total Revenues	<u>5,055,180</u>	<u>5,156,721</u>	<u>5,260,679</u>	<u>5,367,119</u>	<u>5,476,107</u>
OPERATING EXPENSES:					
Personnel Services and Benefits	<u>1,478,320</u>	<u>1,552,236</u>	<u>1,629,848</u>	<u>1,711,340</u>	<u>1,796,907</u>
Vegetation & Weed Control	<u>39,858</u>	<u>41,851</u>	<u>43,943</u>	<u>46,140</u>	<u>48,447</u>
Vehicle O&M	<u>47,267</u>	<u>49,820</u>	<u>52,809</u>	<u>55,978</u>	<u>59,336</u>
Utilities, Insurance, Claims	<u>82,023</u>	<u>84,050</u>	<u>86,956</u>	<u>88,520</u>	<u>90,850</u>
Other Supplies & Expenses	<u>244,822</u>	<u>247,000</u>	<u>249,000</u>	<u>251,000</u>	<u>252,000</u>
Bond Interest Costs	<u>511,575</u>	<u>499,375</u>	<u>486,374</u>	<u>472,975</u>	<u>458,975</u>
Depreciation & Amortization	<u>760,000</u>	<u>770,000</u>	<u>780,000</u>	<u>790,000</u>	<u>800,000</u>
Total Operating Expenses	<u>3,163,865</u>	<u>3,244,332</u>	<u>3,328,930</u>	<u>3,415,953</u>	<u>3,506,515</u>
Net Income	<u>1,891,315</u>	<u>1,912,389</u>	<u>1,931,749</u>	<u>1,951,166</u>	<u>1,969,592</u>
Add back Depreciation Expense	<u>760,000</u>	<u>770,000</u>	<u>780,000</u>	<u>780,000</u>	<u>780,000</u>
Cash Available for Debt Service	<u>2,651,315</u>	<u>2,682,389</u>	<u>2,711,749</u>	<u>2,731,166</u>	<u>2,749,592</u>
Debt Service	<u>816,575</u>	<u>824,375</u>	<u>821,375</u>	<u>822,965</u>	<u>823,975</u>
Debt Service Coverage Ratio	<u>3.24x</u>	<u>3.25x</u>	<u>3.30x</u>	<u>3.32x</u>	<u>3.34x</u>
Net Income After Debt Service	<u>1,834,740</u>	<u>1,858,014</u>	<u>1,890,374</u>	<u>1,908,201</u>	<u>1,925,617</u>

Source: Woodbridge Irrigation District

Historical and Planned Capital Improvements

For the five most recent fiscal years capital improvements in the amount of \$6 million dollars were completed from excess revenues of the District and from the District's fund balances. These improvements included approximately \$4 million dollars of pipeline improvements to the District's connection with Stockton to facilitate future water deliveries.

The District anticipates spending approximately \$3 million over the next five years for "pay-as-you-go" capital projects including: canal and pipeline improvements, drip systems, and SCADA improvements.

INVESTMENT OF DISTRICT FUNDS

Revenues collected by the District will be held and invested by the District in accordance with the provisions of the Indenture.

Funds held by the District, including Water System moneys, are invested in accordance with the District's Statement of Investment Policy (the "Investment Policy") prepared by the District Manager as authorized by section 53601 of the Government Code of California. The Investment Policy is submitted to the District Board annually. The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to insure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years. The District has never invested in derivatives or reverse repurchase agreements and such investments and instruments are not allowed by District policy.

For more information about the District's investment policy, see APPENDIX C—DISTRICT INVESTMENT POLICY.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. In the past, the voters have exercised this power from time to time, including through the adoption of Propositions 13 and 218.

From time to time other State and local initiative measures could be adopted, affecting the ability of the District to increase revenues and to increase appropriations.

Article XIII A

On June 6, 1978, California voters approved Proposition 13, which added Article XIII A to the California Constitution ("Article XIII A"). Article XIII A limits the maximum ad valorem tax on real property to 1% of full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by voters prior to July 1, 1978 and (as a result of an amendment to Article XIII A approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness. Article XIII A defines full cash value 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." This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the full cash value based in the event of declining property values caused by damage, destruction, or other factors and to provide that there would be no increase in the full cash value base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Article XIII B

Under Article XIII B of the California Constitution, state and local government entities have an annual “appropriations limit” which limits their ability to spend certain moneys called “appropriations subject to limitation,” which consist of tax revenues, certain state subventions and certain other moneys, including user charges to the extent they exceed the costs reasonably borne by the entity in providing the service for which it is levying the charge. The District, Lodi and Stockton are each of the opinion that their respective water rates and charges do not exceed the costs reasonably borne in providing their respective water service. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in the consumer price index, population and services provided by these entities. Among other provisions of Article XIII B, if an entity’s revenues in any year exceed the amount permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Proposition 218

On November 5, 1996, the voters of the State-approved Proposition 218, the so-called “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of local governments to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII D established procedural requirements for imposition of assessments, which are defined as any charge on real property for a special benefit conferred upon the real property. Standby charges are classified as assessments. Procedural requirements for the adoption of new assessments or standby charges or increases in such charges after 1996 include the conducting of a public hearing and an election by mailed ballot, with notice to the record owner of each parcel subject to the assessment. The assessment may not be imposed if a majority of the ballots returned oppose the assessment, with each ballot weighted according to the proportional financial obligation of the affected parcel.

For many years prior to the enactment of Proposition 218 in 1996, the District has levied and continues to levy each year, under Section 22280 of the Irrigation District Law, a standby charge of \$5.00 per acre against all lands within the District to which water is available from the District canal system. Similarly, prior to 1996, the District levied and continues to levy each year under Section 22280, a groundwater recharge fee of \$2.00 per acre against upon all lands within a large, defined area of the District whose groundwater supply is recharged as a result of canal seepage from District canals from the infiltration of District water applied to crops, and from the relieving of pumping by surface water users taking water from the District canal system. Both of these District charges pre-dated Proposition 218 and both are levied to finance a portion of the cost of maintenance and operation expenses of the District’s Water System. The District believes that continuing the annual levy of these charges need not comply with the Proposition 218 requirements. If the District were to propose an increase in the amount of either the standby charge or the groundwater recharge fee, the Proposition 218 requirements set forth in Section 4 of Article XIII D would presumably have to be complied with.

Section 6 of Article XIII D conditions the imposition or increase of any “fee” or “charge” upon there being no written majority protest after a required public hearing and, for fees and charges other than for sewer, water or refuse collection services, voter approval. Article XIII D defines “fee” or “charge” to mean levies (other than ad valorem or special taxes or assessments) imposed by a local government upon a

parcel or upon a person as an incident of the ownership or tenancy of real property, including a user fee or charge for a “property-related service.” One of the requirements of Article XIII D is that before a property-related fee or charge may be imposed or increased, a public hearing upon the proposed fee or charge must be held and mailed notice sent to the record owner of each identified parcel of land upon which the fee or charge is proposed for imposition. In the public hearing if written protests of the proposed fee or charge are presented by a majority of the owners of affected identified parcel(s), an agency may not impose the new or increased fee or charge.

In addition to its standby and groundwater recharge fees, the District levies a per-acre foot water charge based upon water usage by landowners, tenants and other users who apply each year to take water from the District’s Water System. A charge per acre-foot is fixed by the District each year (\$16.14 per acre foot in 2012), which is also applied to the metered water usage. If water is unmetered, the charge is based upon usage, determined by multiplying the average irrigated by the crop duty assigned to the type of crop to be irrigated by the applicant (e.g., 4.0 acre foot for alfalfa, 3.1 acre foot for orchard, 2.4 acre foot for vineyard).

In a July 24, 2006 decision of the California Supreme Court, *Bighorn-Desert View Water Agency vs Kelley*, 39 Cal. 4th 205, it was indicated that water rate increases are subject to the requirements of Section 6 of Article XIII D (Proposition 218), which sets forth several requirements for rate increases. The *Bighorn* case effectively established that water rate increases by the District, and by Lodi and Stockton as well, will be required to comply with Section 6 of Article XIII D, including the requirements that:

- written notice must be given to each parcel owner of the proposed rate increase, the basis of and reasons for the increase; and
- a public hearing must be held on the proposed increase, at which written protests may be filed by parcel owners, and a protest by a majority of the owners of the parcels defeats the increase in the fee or charge.

Article XIII C of the California Constitution also removes limitations on the initiative power in matters of local taxes, assessments, fees and charges. Consequently, the voters of the District, Lodi or Stockton could, by future initiative, seek to repeal, reduce or prohibit the future imposition or increase of any local tax, assessment, fee or charge. No assurance can be given that the voters of the District, Lodi or Stockton will not, in the future, approve initiatives which seek to repeal, reduce or prohibit the future imposition or increase of assessments, or water service fees or charges of their respective entities. A significant portion of the District’s Net Revenues pledged to the payment of the Bonds is expected to be delivered from amounts received by the District from Lodi pursuant to the Lodi Water Sales Agreement, which amounts are payable by Lodi from revenues of the Lodi Municipal Water System. A significant portion of the District’s Net Revenues pledged to the payment of the Bonds is expected to be delivered from amounts received by the District from Stockton pursuant to the Stockton Water Sales Agreement, which amounts are payable by Stockton from revenues of the Stockton Municipal Water System.

Conclusion. It is not possible to predict how courts will further interpret Article XIII C and Article XIII D in future judicial decisions, and what, if any, further implementing legislation will be enacted. 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. There can be no assurance that the courts will

not further interpret, or the voters will not amend, Article XIII C and Article XIII D 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.

Effect of Proposition 218 on the District; Possible Limitations on Enforcement Remedies

The general financial condition of the District may be affected by provisions of Article XIII C and Article XIII D. In particular, provisions of Article XIII C (i) require taxes for general governmental purposes to be approved by a majority vote and taxes for specific purposes, even if deposited into the General Fund, to be approved by two-thirds vote, (ii) require any general purpose tax which the District imposed, extended or increased, without voter approval, after December 31, 1994, to be approved by majority vote on November 5, 1998 and (iii) provide that all taxes, assessments, fees and charges are subject to reduction or repeal at any time through the initiative process, subject to overriding constitutional principles relating to the impairment of contracts. Provisions of Article XIII D that affect the ability of the District to fund certain services or programs that it may be required or choose to fund include (i) adding notice, hearing, protest and, in some cases, voter approval requirements to impose, increase or extend certain assessments, fees and charges and (ii) adding stricter requirements for finding individualized benefits associated with such levies.

The ability of the District to comply with its covenants under the Indenture and to generate Net Revenues sufficient to pay the Installment Payments and, therefore, the principal of and interest on the Bonds 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) under Article XIII C or Article XIII D by voters, property owners, taxpayers or payers of assessments, fees and charges. Furthermore, any remedies available to the owners of the 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 possible limitations on the ability of the District to comply with its covenants under the Indenture, the rights and obligations under the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against cities in the State of California.

Based on the foregoing, in the event the District fails to comply with its covenants under the Indenture, including its covenants to generate sufficient Net Revenues, as a consequence of the application of Article XIII C and Article XIII D, or to pay principal of or interest on the Bonds, there can be no assurance that available remedies will be adequate to fully protect the interests of the holders of the Bonds.

Proposition 26

On November 2, 2010, State voters approved Proposition 26 which amended certain sections of Article XIII C. The proposition attempts to define "tax" as used within Article XIII C as "any levy, charge, or exaction of any kind imposed by a local government, except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits,

enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D.” The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

The foregoing discussion of Proposition 218 and Proposition 26 should not be considered an exhaustive or authoritative treatment of the provisions of such propositions or the possible effects of Proposition 218 and Proposition 26. Interim rulings, final decisions, legislative proposals and legislative enactments affecting Proposition 218 and Proposition 26 may impact the District’s ability to make debt service payments on the Bonds. The District does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity related to these issues.

Future Initiatives

Articles XIIC, XIID and Proposition 26 were adopted as measures that qualified for the ballot pursuant to California’s initiative process. From time-to-time other initiatives could be proposed and adopted affecting Net Revenues or the District’s ability to increase its rates for water service. See “Proposition 218” above. The California constitution, Article XIID, Section 5(c), specifically recognizes that any assessment existing on the effective date (of Article XIID) shall be exempt from the procedures and approval process set forth in Article 4, to wit: “...(c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.”

RISK FACTORS RELATING TO THE BONDS

The following section describes certain special considerations and risk factors affecting the risk of nonpayment or the security for the Bonds. The following discussion is not meant to be an exhaustive or definitive description of the risks associated with a purchase of the Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following special factors regarding the Bonds, together with all other information in this Official Statement, in order to make an informed investment decision with respect to the Bonds. There can be no assurance that other risk factors are not or will not become material in the future.

The following section describes certain special considerations and risk factors affecting the risk of nonpayment or the security for the Bonds. The following discussion is not meant to be an exhaustive or definitive description of the risks associated with a purchase of any Certificate and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following special factors regarding the Bonds, together with all other information in this Official Statement in order to make an informed investment decision with respect to the Bonds. There can be no assurance that other risk factors are not or will not become material in the future.

Certain Factors Affecting the District Generally

The District's ability to make Installment payments is dependent upon the collection of water service charges. Those charges are collected with relatively consistent and predictable demands. A number of factors could adversely affect the District's water service charge structure including, but not limited to, capital improvement needs, federal and state requirements, water availability, and general economic conditions. The District has been able to adjust its rates from time to time to meet such conditions and expects to continue to have that ability.

Bonds Are Limited Obligations

The Bonds are special, limited obligations of the Corporation, payable from Revenues derived from Installment Payments. The Bonds will not be deemed to constitute a debt or liability of the District, the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory provision, or a pledge of the faith and credit of the District, the State of California or of any political subdivision thereof, but will be payable, except to the extent of certain available moneys pledged therefor, solely from Net Revenues. Neither the faith and credit nor the taxing power of the District, the State of California or of any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Bonds. The issuance of the Bonds will not directly or indirectly or contingently obligate the District, the State of California or any political subdivision thereof to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment.

Limitations on Remedies

The enforceability of the rights and remedies of the owners of the Bonds and the Trustee, and the obligations incurred by the District, may be subject to the following: the limitations on legal remedies against cities in California; the federal 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; principles of equity 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 U.S. Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California 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 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations or modification of their rights. Remedies may be limited since the Water System serves an essential public purpose.

Water System Demand and Growth

There can be no assurance that the local demand for the services provided by the Water System will be maintained at levels described in this Official Statement under the headings "DISTRICT WATER SYSTEM." Reduction in the level of demand could require an increase in rates or charges in order to produce Net Revenues sufficient to comply with the District's rate covenant in the Indenture. There can be no assurance that any other entity with regulatory authority over the Water System will not adopt further restrictions on operation of the Water System.

Water System Expenses

There can be no assurance that the District's expenses for the Water System will be consistent with the levels described in this Official Statement. Changes in technology, new regulatory requirements, increases in the cost of energy or other expenses would reduce Net Revenues, and could require substantial increases in service charges in order to comply with the rate covenant. Such rate increases could increase the likelihood of nonpayment, and could also decrease demand.

Environmental Laws and Regulations

The Water System is subject to a wide variety of local, State, and federal health and environmental laws. Among the types of regulatory requirements faced by such facilities are air and water quality control requirements. Such regulations, as they may be from time to time amended or subsequently enacted could affect the Net Revenues available to pay the Bonds.

Limited Recourse on Default

If the District defaults on its obligation to make Installment payments, the Trustee has the right to accelerate the total unpaid principal amount of the Bonds. However, in the event of a default and such acceleration there can be no assurance that the District will have sufficient Net Revenues to pay the accelerated payments.

Limitations on Remedies Available

The ability of the District to comply with its covenants under the Indenture and to generate Net Revenues sufficient to pay principal of and interest on the Bonds 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. See "Proposition 218" below. Furthermore, any remedies available to the owners of the 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 Owner remedies contained in the Indenture, the rights and obligations under the Bonds and 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 of California 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 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.

Dam Risk

The District has adopted an Emergency Action Plan to provide emergency response protocols and procedures for the Woodbridge Diversion Dam. The flood wave from a breach of the Woodbridge Dam

would result in the inundation of land adjacent to the Mokelumne River in a few areas between 2 and 12 feet, and up to approximately 14 feet at the deepest spot. There would be no flooding of the Woodbridge Golf and Country Club downstream of the dam. In most areas the flood extents would not exceed the bankfull flow, and no houses or structures are inundated. In under 8 hours, the majority of the flood will have attenuated and the flow will be less than the capacity of the channel.

The flood wave from a breach of the fuse plug spillway/saddle dam would inundate a portion of the Woodbridge Golf and Country Club downstream of the dam, by up to 3 feet in most areas, and 8 feet in the deepest spot in 3 hours. The flood would then overtop the levee by 1 to 3 feet and continue in the main river channel, and no houses or structures would be flooded.

The District also sits downstream of the Pardee Dam and the Camanche Dam, both owned and operated by EBMUD. A breach of either the Pardee Dam or the Camanche Dam could result in significant flooding and damage to downstream lands adjacent to the Mokelumne River, including the District's dam and facilities. The expenses associated with such a breach would likely be substantial.

Climate Change

The issue of climate change has become an important factor in water resources planning in the State, and is frequently considered in water management planning processes, though the extent and precise effects of climate change remain uncertain. There is convincing evidence that increasing concentrations of greenhouse gasses 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, observational data show that a warming trend occurred during the latter part of the 20th century and virtually all projections indicate this will continue through the 21st century. These changes will have a direct effect on water resources in California, and numerous studies have been conducted to determine the potential impacts to water resources. Based on these studies, climate change could result in the following types of water resource impacts, including impacts on watersheds like the Mokelumne River:

- Reductions in the average annual snowpack due to a rise in the snowline and a shallower snowpack in the low and medium elevation zones, such as in the Mokelumne River watershed, and a shift in snowmelt runoff to earlier in the year;
- Changes in the timing, annual average, intensity and variability of precipitation, and an increased amount of precipitation falling as rain rather than snow;
- Long-term changes in watershed vegetation and increased incidence of wildfires that could affect water quality and quantity;
- Sea level rise and an increase in saltwater intrusion;
- Increased water temperatures with accompanying potential adverse effects on some fisheries and water quality;
- Increases in evaporation and concomitant increased irrigation need; and
- Changes in urban and agricultural water demand; and

- Decreasing water quality as a result of warmer air temperatures shifting in spring runoff, increasing peak runoff, and impacts to fisheries.

While the District, EBMUD and other water agencies along the Mokelumne River have plans in place to mitigate the foreseeable effects of future climate change, no assurance can be given that such plans will be sufficient and future climate change could have unpredictable material adverse effects on the District's finances.

Drought. In dry years, irrigation demands may decrease as a consequence of prohibitions on certain water uses, and the District may receive lower than anticipated revenues due to reduced sales volumes. In contrast, in wet years, demands increase as prohibitions are lifted, and revenues increase due to higher sales volumes. For additional discussion of drought, see "Water Supply."

Natural Disasters

Any natural disaster or other physical calamity, including earthquake, may have the effect of reducing Net Revenues through damage to the Water System and/or adversely affecting the economy of the surrounding area.

Wildfire. In recent years, wildfires have caused extensive damage to cities throughout the State. In some instances, entire neighborhoods have been destroyed. Areas effected by wildfires may be more prone to flooding and mudslides. In addition to the direct impact of wildfires on health and safety and property damage, the smoke from wildfires has negatively impacted the quality of life within the District and may have short-term and future impacts on residential and commercial activity within the District.

The majority of the Mokelumne River watershed is considered "very high" or "high" risk for wildfire due to overgrowth and historical aggressive replanting of commercial lumber trees after logging activities. The water treatment plants that treat water from the Mokelumne River use inline filtration, a technology with limited capabilities. High intensity wildfire followed by subsequent heavy rainfall results in large quantities of sediment, organic material, and other contaminants washing into the river. The inline Water Treatment Plants cannot remove large amounts of organic material or even modest amounts of sediment. In addition, major wildfires can lead to elevated concentrations of nutrients in the water, supporting algal growth. These impacts can last for many years depending on the size of the fire.

In September 2015, the Butte Fire burned over 70,000 acres of forest, including a 12,000- acre section of the Mokelumne River watershed. This was followed by the first relatively wet winter in four years (2016); the next winter (2017) was the wettest since 1995. During winter storms, runoff in the watershed carried accumulated debris from the drought, including loosened soil and burned materials from the fire, into the river and reservoir.

The District's facilities are primarily water service infrastructure that is not generally vulnerable to fire damage. Nevertheless, damage resulting from a wildfire event could have a material adverse effect on the District's financial condition as well, through unexpected recovery costs and reduced revenues.

Seismic. Like most regions in California, the District is in an area of significant seismic activity. Soils in lowland areas away from major faults may also be unable to support buildings during major earthquakes. Landslides are likely on hillsides during major earthquakes. Damage resulting from such an event could have a material adverse effect on the District's financial condition as well, through unexpected recovery costs and reduced revenues. The District's facilities and future planned capital improvements to the System and

the District's other facilities and infrastructure have been or will be designed to meet all applicable seismic standards. However, there can be no assurance that seismic activity will not significantly damage the District's facilities and infrastructure or adversely affect the local economy.

In 2020, EBMUD completed a study that evaluated the surface-fault rupture and seismic hazard posed by faults within the Foothills Fault System near Pardee Dam. Two faults were classified as "inactive" per state criteria (no fault rupture in the past 35,000 years), and five of the faults were classified as either active or conditionally active. However, that probabilistic fault rupture hazard analysis concluded that the surface fault rupture displacement hazard to Pardee Dam is very low to negligible. Seismic hazard analysis parameters were developed based on the nearby fault sources within 10 km of Pardee Dam.

However, a seismic study in 2010 did conclude that a major earthquake on the Foothills Fault System could cause liquefaction of the tailings materials under the Camanche Main Dam embankment. The resultant deformation would likely be limited to the downstream toe area and would not affect overall dam stability nor lead to dam failure. It has also been determined that seismic activity could compromise the Mokelumne Aqueducts and their supports as they cross the Delta where the soils are subject to liquefaction, either directly or via levee failure.

Damage to the Pardee Dam, the Camanche Dam, and/or the Woodbridge Dam could result in significant added expense to the District's facilities, increased costs, and delayed water deliveries.

Risks Related to Cyber Security

The District relies on computers and technology to conduct its operations. The District and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. The District has retained information technology professionals to support, maintain and protect these operations locally in a purpose-built and physically secure environment. This network and its operations are governed by and in compliance with all applicable governmental regulations as well as the District's own administrative regulations. Within the District's operations and guidance is an active cyber-security program designed to protect from, and to quickly identify and mitigate, a multitude of complex security threats. While no network is completely immune from all possible compromise, the District exercises its due diligence in protecting the data it possesses and the systems it operates. To date, there have been no significant cyber-attacks on the District's computers and technologies.

While the District routinely maintains its technology systems and continuously implements new information security controls, no assurances can be given that the District's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the District's computer and technology could negatively impact the District's and the Water System's operations, and the costs related to such attacks could be substantial.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest with respect to the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of execution and delivery of Bonds as a result of future acts or omissions of the District in violation of certain covenants contained in the Indenture. Should such an event of taxability occur, the Bonds are not subject to special redemption or any increase in interest rate and will remain outstanding until maturity or until redeemed pursuant to the Indenture.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any 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.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest with respect to the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of delivery of the Bonds.

Subject to the District's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals.

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts within their knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code") includes provisions for an alternative minimum tax ("AMT") for certain corporations in addition to the corporate regular tax in certain cases. The AMT for a corporation with a tax year ending December 31, 2017, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporations' taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would generally include certain tax-exempt interest, but not interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “Issue Price”) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price, or purchase Bonds subsequent to the initial public offering, should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity (the “Reduced Issue Price”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases a Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bond Owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest with respect to, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond Owner who fails to provide

an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond Owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest with respect to the Bonds is exempt from California personal income taxes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the delivery of the Bonds is set forth in APPENDIX F— FORM OF OPINION OF BOND COUNSEL.

CERTAIN LEGAL MATTERS

Quint & Thimmig LLP, Larkspur, California, as Bond Counsel, will render an opinion with respect to the validity of the Bonds, the form of which opinion is set forth in APPENDIX F—FORM OF OPINION OF BOND COUNSEL. Certain legal matters will be passed upon for the District by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by Kronick Moskowitz Tiedemann & Girard, Sacramento, California, District Attorney. Payment of the fees and expenses of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Bonds.

LITIGATION

To the best knowledge of the District, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the District to restrain or enjoin the authorization, execution or delivery of the Bonds, or the pledge of the Net Revenues or the collection of the payments to be made pursuant to the Indenture, or in any way contesting or affecting validity of the Bonds, the Indenture or the agreement for the sale of the Bonds, or in any way contesting or affecting the transactions described in this Official Statement.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned the rating of "___" to the Bonds. Such rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from 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. There is no assurance such ratings will continue for any given period of time or that such ratings 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 such ratings may have an adverse effect on the market price for the Bonds.

The District has covenanted in the Continuing Disclosure Certificate to file on the EMMA website notices of any rating changes on the Bonds. See APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from S&P prior to such information being provided to the District and prior to the date the District is obligated to file a notice of a rating change on EMMA. Purchasers of the Bonds are directed to S&P, its website and official media outlet for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds. However, neither the District nor the Underwriter takes any responsibility for the accuracy of such information on such websites or outlets.

MUNICIPAL ADVISOR

Wulff, Hansen & Co. (the “Municipal Advisor”), is registered as a “Municipal Advisor” with the Securities Exchange Commission and Municipal Securities Rulemaking Board. The Municipal Advisor has assisted the District in connection with the planning, structuring, sale and delivery of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibilities for the accuracy, completeness or fairness of the information contained in this Official Statement not provided by the Municipal Advisor. The fees of the Municipal Advisor in respect to the Bonds are contingent upon their sale and delivery.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the District has agreed, for the benefit of holders of the Bonds, to provide certain financial information and operating data relating to the District relating to the Bonds (the “Annual Reports”) and its audited financial statements, by not later than September 30 of each year commencing with the report for the 2020-21 fiscal year (the “Annual Information”), and to provide notices of the occurrence of certain events. The Annual Reports, audited financial statements and notices of events will be filed by the District with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The nature of the information to be provided in the Annual Reports and the notices of events is set forth in APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

[CONTINUING DISCLOSURE HISTORY TO FOLLOW]

UNDERWRITING

Following a competitive sale, the Bonds were purchased by _____ (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a purchase price of \$_____ (being equal to the aggregate principal amount of the Bonds of \$_____, plus a net original issue premium of \$_____, less an underwriter’s discount of \$_____). The Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the notice of sale for the Bonds, the approval of certain legal matters by counsel and certain other conditions. The Bonds may offer and sell Bonds to certain dealers and others at prices

lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion, assumptions, projections, anticipated events or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and actual results may differ substantially from those set forth herein. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

The summaries of certain provisions of the Bonds, statutes and other documents or agreements referred to in this Official Statement do not purport to be complete, and reference is made to each of them for a complete statement of their provisions. Copies are available for review by making requests to the District.

The Appendices are an integral part of this Official Statement and must be read together with all other parts of this Official Statement. The audited financial statements of the District, including a summary of significant accounting policies, for the fiscal year ended December 31, 2020, are contained in APPENDIX B—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020.

The execution of this Official Statement and its delivery have been authorized by the District Board of the District.

WOODBRIIDGE IRRIGATION DISTRICT

By _____
Anders Christensen,
Manager

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE
DISTRICT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

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APPENDIX C
DISTRICT INVESTMENT POLICY

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the “Disclosure Certificate”) is executed and delivered by the WOODBRIDGE IRRIGATION DISTRICT (the “District”) in connection with the issuance of the \$ _____* Woodbridge Irrigation District (San Joaquin County, California) 2022 Water System Refunding Revenue Bonds (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of April 1, 2022 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds shall be secured by a pledge, charge and lien upon Net Revenues (as such term is defined in the Indenture). Pursuant to Section 6.17 of the Indenture, the District covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and, in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, 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 of this Disclosure Certificate.

“*Annual Report Date*” means the September 30 after the end of the District’s fiscal year.

“*Dissemination Agent*” shall mean, initially, _____, or any successor Dissemination Agent designed in writing by the District, and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

“*Fiscal Year*” means any twelve-month period beginning on January 1 in any year and extending to the next succeeding December 31, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period under a Certificate of the District filed with the Trustee.

“*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 by the District in connection with the issuance of the Bonds.

“*Participating Underwriter*” means _____, the original underwriter of the 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.

“*Significant Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. 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 Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2- 12(b)(5).

* Preliminary, subject to change.

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 March 31, 2022, with the report for fiscal year 2020-21 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 of this Disclosure Certificate. 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 of this Disclosure Certificate; 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 Significant 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 in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(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) The District's audited financial statements 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 Annual Report Date, 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) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the District for preceding fiscal year, substantially similar to that provided in the Official Statement, as follows:

[TO BE DETERMINED]

(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 Significant Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an obligated person (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;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) The 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; or
- (xvi) A 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.

(b) Whenever the District obtains knowledge of the occurrence of a Significant Event, 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 Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) 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 Bonds under the Indenture.

(c) The District acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier “if material.” The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the District determines the event’s occurrence is material for purposes of U.S. federal securities law. The District intends that the words used in paragraphs (xv) and (xvi) and the definition of “financial obligation” to have the meanings ascribed thereto in the Rule.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above 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 United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental 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 governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental having supervision or jurisdiction over substantially all of the assets or business of the District.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this 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 Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage 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 an obligated person with respect to the 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 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 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 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 financial information 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 the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information 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.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant 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 Significant 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 Significant 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 Significant 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 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. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Section 9.01 of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. 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: [Closing Date]

WOODBIDGE IRRIGATION DISTRICT

By _____
Authorized Officer

ACKNOWLEDGED:

_____, as Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Woodbridge Irrigation District
Name of Issue: Woodbridge Irrigation District (San Joaquin County, California) 2022 Water System Revenue Refunding Bonds
Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

_____, as Dissemination Agent

By _____
Authorized Officer

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APPENDIX E

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT AND THE COUNTY

The following information concerning the Woodbridge Irrigation District and San Joaquin County is included only for the purpose of supplying general information regarding the District and the County. The Bonds are not a debt of the County, the State or any of its political subdivisions, and none of the County, the State nor any of their political subdivisions, except for the District, are liable therefor.

Although reasonable efforts have been made to include up-to-date information in this Appendix A, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

Woodbridge. Woodbridge is a census-designated place (“CDP”) in San Joaquin County, California. Woodbridge is located on the northwest side of the city of Lodi, along the banks of the Mokelumne River. Prior to the 2010 census, it was split between the CDPs of North Woodbridge and South Woodbridge and occupies the zip code 95258. It is most known for being in the San Joaquin Valley winegrowing region.

City of Stockton. The City of Stockton (“Stockton”) is the county seat of San Joaquin County and is located in the Central Valley of California along the San Joaquin River. Stockton is the 13th largest city in California and the 62nd largest city in the United States. The University of the Pacific, chartered in 1851, is the oldest university in California, and has been located in Stockton since 1923. Interstate 5 and State Route 99, inland California’s major north–south highways, pass through Stockton. State Route 4 and the dredged San Joaquin River connect the city with the San Francisco Bay Area to its west, creating the Stockton Deepwater Shipping Channel. Stockton and Sacramento are California’s only inland seaports.

City of Lodi. The City of Lodi (“Lodi”), incorporated December 6, 1906, is located on the northern boundary of San Joaquin County, 10 miles to the north of Stockton. Lodi is adjacent to State Highway Route 99 and is located approximately 35 miles south of Sacramento. Lodi is best known for its Zinfandel wines.

San Joaquin County. San Joaquin County (the “County”) is located in California’s Central Valley, just east of the nine-county San Francisco Bay Area region. One of the smaller counties in area in California, the County has a high population density and is growing due to overflow from the Bay Area’s need for housing. The County is bounded by Sacramento County on the north, Stanislaus County on the south, Contra Costa County and Alameda County on the west and Amador County, Calaveras County and Stanislaus County on the east. The land area of the City is 61.7 square miles.

Population

The table below summarizes population of the cities of Stockton, Lodi, the County, and the State of California for the last five years.

STOCKTON, LODI, SAN JOAQUIN COUNTY, and CALIFORNIA
Population

<u>Year</u>	<u>City of Stockton</u>	<u>City of Lodi</u>	<u>San Joaquin County</u>	<u>State of California</u>
<u>2017</u>	<u>313,225</u>	<u>65,606</u>	<u>744,843</u>	<u>39,352,398</u>
<u>2018</u>	<u>315,099</u>	<u>66,389</u>	<u>752,958</u>	<u>39,519,535</u>
<u>2019</u>	<u>317,356</u>	<u>67,430</u>	<u>764,373</u>	<u>39,605,361</u>
<u>2020</u>	<u>319,188</u>	<u>68,011</u>	<u>773,505</u>	<u>39,648,938</u>
<u>2021</u>	<u>320,876</u>	<u>68,751</u>	<u>783,534</u>	<u>39,466,855</u>

Source: California Department of Finance, E—4 Population Estimate for Cities, Counties, and the State, 2011—21, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State of California, and the United States:

SAN JOAQUIN COUNTY, CALIFORNIA, and UNITED STATES Civilian Labor Force, Employment, and Unemployment (Annual Averages)

<u>Year</u>	<u>Area</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate ⁽¹⁾</u>
<u>2016</u>	<u>San Joaquin County</u>	<u>319,200</u>	<u>293,500</u>	<u>25,700</u>	<u>8.1%</u>
	<u>California</u>	<u>19,102,700</u>	<u>18,065,000</u>	<u>1,037,700</u>	<u>5.4</u>
	<u>United States</u>	<u>159,187,000</u>	<u>151,436,000</u>	<u>7,751,000</u>	<u>4.9</u>
<u>2017</u>	<u>San Joaquin County</u>	<u>324,900</u>	<u>302,200</u>	<u>22,600</u>	<u>7.0</u>
	<u>California</u>	<u>19,312,000</u>	<u>18,393,100</u>	<u>918,900</u>	<u>4.8</u>
	<u>United States</u>	<u>160,320,000</u>	<u>153,337,000</u>	<u>6,982,000</u>	<u>4.4</u>
<u>2018</u>	<u>San Joaquin County</u>	<u>326,400</u>	<u>306,800</u>	<u>19,600</u>	<u>6.0</u>
	<u>California</u>	<u>19,398,200</u>	<u>18,582,800</u>	<u>815,400</u>	<u>4.2</u>
	<u>United States</u>	<u>162,075,000</u>	<u>155,761,000</u>	<u>6,314,000</u>	<u>3.9</u>
<u>2019</u>	<u>San Joaquin County</u>	<u>327,100</u>	<u>307,900</u>	<u>19,200</u>	<u>5.9</u>
	<u>California</u>	<u>19,411,600</u>	<u>18,627,400</u>	<u>784,200</u>	<u>4.0</u>
	<u>United States</u>	<u>163,539,000</u>	<u>157,538,000</u>	<u>6,001,000</u>	<u>3.7</u>
<u>2020⁽²⁾</u>	<u>San Joaquin County</u>	<u>331,800</u>	<u>294,500</u>	<u>37,400</u>	<u>11.3</u>
	<u>California</u>	<u>18,821,200</u>	<u>16,913,100</u>	<u>1,908,100</u>	<u>10.1</u>
	<u>United States</u>	<u>160,742,000</u>	<u>147,795,000</u>	<u>12,947,000</u>	<u>8.1</u>

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010—20, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full—year data.

Construction Activity

The following table reflects the five—year history of building permit valuation for Stockton, Lodi, and the County:

CITY OF LODI
Building Permits and Valuation
(Dollars in Thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
<u>Permit Valuation:</u>					
<u>New Single—family</u>	<u>\$ 47,331</u>	<u>\$ 54,475</u>	<u>\$ 55,587</u>	<u>\$ 28,041</u>	<u>\$ 12,473</u>
<u>New Multi—family</u>	<u>13,501</u>	<u>16,178</u>	<u>=</u>	<u>19,280</u>	<u>=</u>
<u>Res. Alterations/Additions</u>	<u>4,619</u>	<u>4,791</u>	<u>7,349</u>	<u>4,817</u>	<u>2,327</u>
<u>Total Residential</u>	<u>65,453</u>	<u>75,445</u>	<u>62,936</u>	<u>52,139</u>	<u>14,801</u>
<u>Total Nonresidential</u>	<u>23,960</u>	<u>43,032</u>	<u>26,395</u>	<u>62,876</u>	<u>11,833</u>
<u>Total All Building</u>	<u>89,413</u>	<u>118,478</u>	<u>89,331</u>	<u>115,015</u>	<u>26,634</u>
<u>New Dwelling Units:</u>					
<u>Single Family</u>	<u>215</u>	<u>168</u>	<u>243</u>	<u>111</u>	<u>44</u>
<u>Multiple Family</u>	<u>25</u>	<u>134</u>	<u>=</u>	<u>158</u>	<u>=</u>
<u>Total</u>	<u>240</u>	<u>302</u>	<u>243</u>	<u>269</u>	<u>44</u>

CITY OF STOCKTON
Building Permits and Valuation
(Dollars in Thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
<u>Permit Valuation:</u>					
<u>New Single—family</u>	<u>\$ 58,734</u>	<u>\$ 65,565</u>	<u>\$ 104,468</u>	<u>\$ 99,207</u>	<u>\$ 129,515</u>
<u>New Multi—family</u>	<u>14,797</u>	<u>13,036</u>	<u>=</u>	<u>32,174</u>	<u>12,061</u>
<u>Res. Alterations/Additions</u>	<u>75,506</u>	<u>62,938</u>	<u>61,592</u>	<u>66,557</u>	<u>17,943</u>
<u>Total Residential</u>	<u>149,038</u>	<u>141,540</u>	<u>166,060</u>	<u>197,939</u>	<u>159,520</u>
<u>Total Nonresidential</u>	<u>122,974</u>	<u>255,823</u>	<u>200,503</u>	<u>305,600</u>	<u>85,696</u>
<u>Total All Building</u>	<u>272,013</u>	<u>397,364</u>	<u>366,563</u>	<u>503,540</u>	<u>245,216</u>
<u>New Dwelling Units:</u>					
<u>Single Family</u>	<u>189</u>	<u>238</u>	<u>324</u>	<u>302</u>	<u>481</u>
<u>Multiple Family</u>	<u>82</u>	<u>115</u>	<u>=</u>	<u>262</u>	<u>93</u>
<u>Total</u>	<u>271</u>	<u>353</u>	<u>324</u>	<u>564</u>	<u>574</u>

SAN JOAQUIN COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>
Permit Valuation:					
<u>New Single—family</u>	<u>\$467,494</u>	<u>\$ 652,308</u>	<u>\$ 883,071</u>	<u>\$ 843,700</u>	<u>\$ 870,859</u>
<u>New Multi—family</u>	<u>66,794</u>	<u>62,635</u>	<u>99,601</u>	<u>57,271</u>	<u>38,411</u>
<u>Res. Alterations/Additions</u>	<u>99,049</u>	<u>86,516</u>	<u>95,073</u>	<u>98,681</u>	<u>40,144</u>
<u>Total Residential</u>	<u>633,339</u>	<u>801,460</u>	<u>1,077,745</u>	<u>999,653</u>	<u>949,415</u>
<u>Total Nonresidential</u>	<u>607,993</u>	<u>834,552</u>	<u>1,019,479</u>	<u>926,219</u>	<u>958,358</u>
<u>Total All Building</u>	<u>1,241,332</u>	<u>1,636,012</u>	<u>2,097,225</u>	<u>1,925,873</u>	<u>1,907,774</u>
New Dwelling Units:					
<u>Single Family</u>	<u>1,754</u>	<u>2,078</u>	<u>2,765</u>	<u>2,564</u>	<u>2,843</u>
<u>Multiple Family</u>	<u>550</u>	<u>516</u>	<u>593</u>	<u>461</u>	<u>245</u>
<u>Total</u>	<u>2,304</u>	<u>2,594</u>	<u>3,358</u>	<u>3,025</u>	<u>3,088</u>

Source: Construction Industry Research Board: “Building Permit Summary.”

Note: Columns may not sum to totals due to independent rounding.

(1) Latest available full year data.

Household 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 median household effective buying income for Stockton, Lodi, the County, the State and the nation for the past five years.

STOCKTON, LODI, SAN JOAQUIN COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>City of Stockton</u>	<u>\$ 42,327</u>	<u>\$ 46,022</u>	<u>\$ 47,701</u>	<u>\$ 49,625</u>	<u>\$ 58,594</u>
<u>City of Lodi</u>	<u>46,144</u>	<u>50,111</u>	<u>52,418</u>	<u>53,760</u>	<u>64,155</u>
<u>San Joaquin County</u>	<u>59,883</u>	<u>55,534</u>	<u>58,141</u>	<u>59,914</u>	<u>68,971</u>
<u>California</u>	<u>59,646</u>	<u>62,637</u>	<u>65,870</u>	<u>67,956</u>	<u>77,058</u>
<u>United States</u>	<u>50,735</u>	<u>52,841</u>	<u>55,303</u>	<u>56,790</u>	<u>64,448</u>

Source: Nielsen, Inc.

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APPENDIX F

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Board of Directors of the
Woodbridge Irrigation District
18750 North Lower Sacramento Road
Woodbridge, California 95258

OPINION: \$ _____ * Woodbridge Irrigation District (San Joaquin County, California) 2022 Water System Refunding Revenue Bonds

Members of the Board of Directors:

We have acted as bond counsel in connection with the issuance by the Woodbridge Irrigation District (the “District”) of its \$ _____ * 2022 Water System Refunding Revenue Bonds (the “Bonds”), under the provisions of Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code (the “Law”), an Indenture of Trust, dated as of April 1, 2022 (the “Indenture”), by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and Resolution No. ___, adopted by the Board of Directors of the District on January 13, 2022 (the “Resolution”). We have examined the law and 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 District contained in the Resolution and in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, that:

1. The District is a duly created and validly existing special district with the power to enter into the Indenture and to perform the agreements on its part contained therein.
2. The Indenture has been duly authorized, executed and delivered by the District and is valid, binding and enforceable against the District in accordance with its terms.
3. The Bonds constitute valid and binding special obligations of the District payable solely from Net Revenues of the Water System (as such terms are defined in the Indenture) and certain other amounts held under the Indenture, as described in the Indenture.
4. Subject to the District’s compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.
5. Interest on the Bonds is exempt from personal income taxation imposed by the State of California.

* Preliminary, subject to change.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

With respect to the opinions expressed herein, the enforceability of the Indenture is subject to the limitations on the imposition of certain fees and charges by the District related to the Water System under Articles XIII C and XIII D of the California Constitution. In addition, 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 also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. 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.

Respectfully submitted,

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix G, concerning The Depository Trust Company, New York, New York (“DTC”), and DTC’s book-entry system, has been furnished by DTC for use in official statements and the District takes no responsibility for the completeness or accuracy thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of principal of or interest on the Bonds, (b) certificates representing ownership interest in or other confirmation of 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 G. 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. Information Furnished by DTC Regarding its Book-Entry Only System

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (as used in this Appendix G, 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 maturity of the Securities, 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 and www.dtc.org.

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 affect 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 the 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 the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 the 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 the District or the paying agent or bond trustee, 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 nor its nominee, the paying agent or bond trustee, or the District, 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 the District or the paying agent or bond trustee, 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 the District or the paying agent or bond trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The District 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 the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

