NEW ISSUE—FULL BOOK-ENTRY

RATINGS:
S&P: "AA" (BAM-Insured)
S&P: "A+" (Underlying)
See "RATINGS" 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.

$10,410,000
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 $10,410,000 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 1.20 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.

The following firm, serving as financial advisor to the City, has structured this issue:

Wulff, Hansen & Co.
ESTABLISHED 1931

The scheduled payment of principal and interest with respect to the Certificates when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Certificates by **BUILD AMERICA MUTUAL ASSUARNCE COMPANY.** See "MUNICIPAL BOND INSURANCE" herein.

BAM
BUILD AMERICA MUTUAL

MATURITY SCHEDULE
See inside front cover

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE OF BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE PURCHASE OF THE 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 15, 2022

$10,410,000
WOODBRIDGE IRRIGATION DISTRICT
(San Joaquin County, California)
2022 Water System Refunding Revenue Bonds

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

$9,040,000 Serial Bonds

CUSIP† Prefix: 978810

Maturity July 1	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix
2022	$350,000	6.000%	1.250%	101.126	AA7
2023	270,000	6.000	1.450	105.563	AB5
2024	285,000	6.000	1.700	109.403	AC3
2025	305,000	6.000	1.810	113.119	AD1
2026	325,000	6.000	1.900	116.618	AE9
2027	345,000	6.000	2.050	119.522	AF6
2028	365,000	6.000	2.180	122.166	AG4
2029	380,000	6.000	2.250	124.917	AH2
2030	405,000	6.000	2.330	127.362	AJ8
2031	430,000	6.000	2.370	129.956	AK5
2032	450,000	6.000	2.420	132.290	AL3
2033	480,000	5.000	2.480	122.659c	AM1
2034	510,000	5.000	2.530	122.153c	AN9
2035	535,000	4.000	2.780	110.802c	AP4
2036	555,000	4.000	2.830	110.333c	AQ2
2037	570,000	3.000	3.100	98.789	AR0
2038	595,000	3.000	3.150	98.101	AS8
2039	605,000	3.125	3.200	99.009	AT6
2040	630,000	3.250	3.250	100.000	AU3
2041	650,000	3.250	3.300	99.288	AV1

$1,370,000 4.000% Term Bonds due July 1, 2043, Price: 108.756c, to yield 3.000%; CUSIP† 978810 AW9

†Copyright 2022, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by S&P Capital IQ. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the registered owners of the Bonds. Neither the District nor the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

c Priced to the July 1, 2032, par call date.

~~*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.

Build America Mutual Assurance Company (the "Municipal Bond Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Municipal Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Municipal Bond Insurer supplied by the Municipal Bond Insurer and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

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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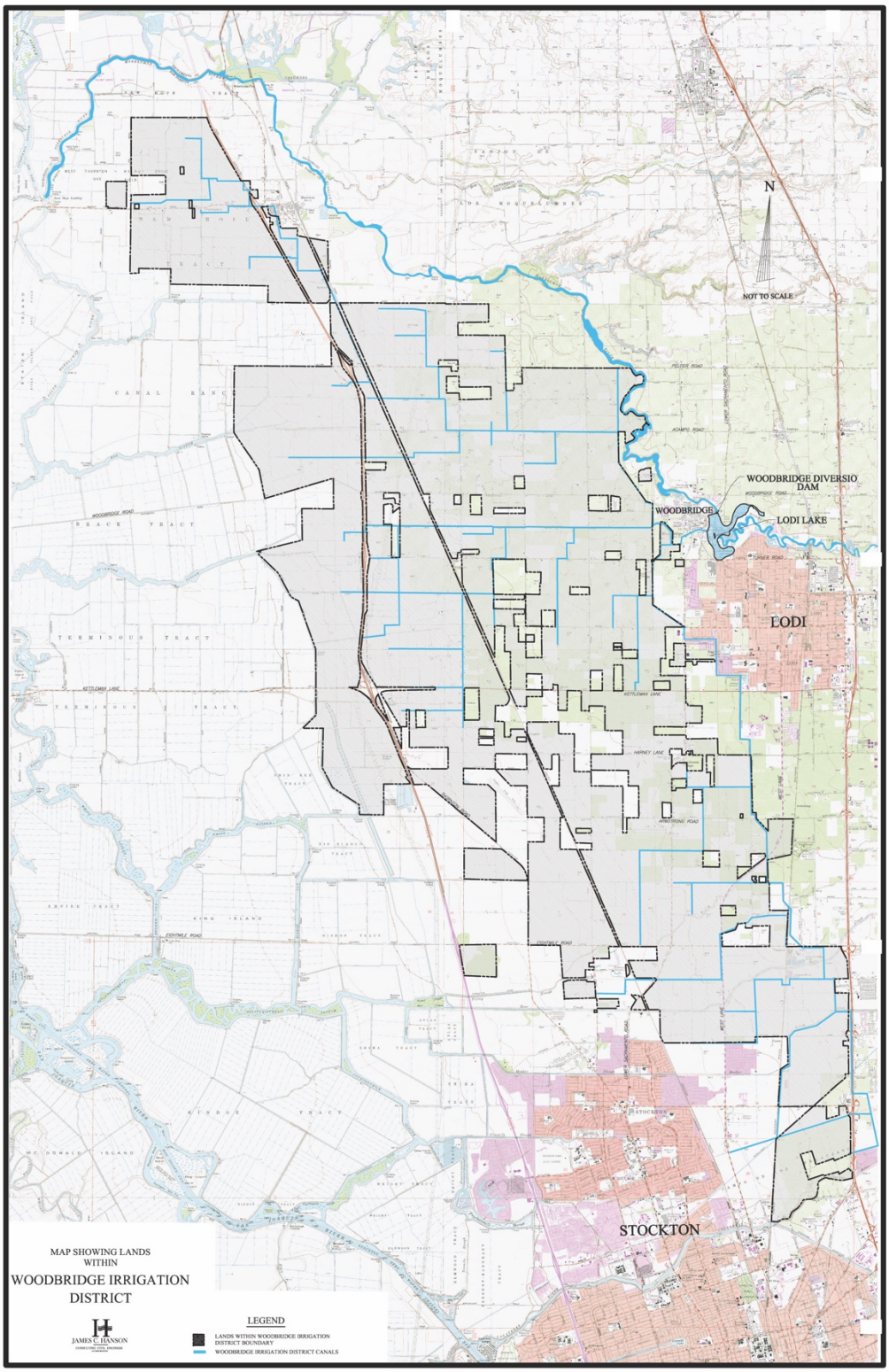
WOODBRIDGE IRRIGATION DISTRICT MAP



WOODBRIDGE 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

OFFICIAL STATEMENT

$10,410,000
WOODBRIDGE 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 $10,410,000.

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.

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 1.20 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."

Municipal Bond Insurance Policy

The scheduled payment of the principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by Build America Mutual Assurance Company (the "Municipal Bond Insurer") simultaneously with the delivery of the Bonds. See "MUNICIPAL BOND INSURANCE."

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:

Sources:	
Principal Amount of Bonds	$10,410,000.00
Plus: Net Original Issue Premium	1,195,668.65
TOTAL SOURCES	$11,605,668.65
Uses:	
Deposit to Escrow Fund	$11,260,787.50
Costs of Issuance [1]	344,881.15
TOTAL USES	$11,605,668.65

(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, the premium for the Municipal Bond Insurance Policy 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"). A portion of such amount will be invested in U.S. Treasury Securities—State and Local Government Series (the "SLGS"). The principal amount of the SLGS and the interest earnings thereon 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 (1)	Interest	Total
2022	$ 350,000	$ 114,178.44	$ 464,178.44
2023	270,000	456,956.26	726,956.26
2024	285,000	440,756.26	725,756.26
2025	305,000	423,656.26	728,656.26
2026	325,000	405,356.26	730,356.26
2027	345,000	385,856.26	730,856.26
2028	365,000	365,156.26	730,156.26
2029	380,000	343,256.26	723,256.26
2030	405,000	320,456.26	725,456.26
2031	430,000	296,156.26	726,156.26
2032	450,000	270,356.26	720,356.26
2033	480,000	243,356.26	723,356.26
2034	510,000	219,356.26	729,356.26
2035	535,000	193,856.26	728,856.26
2036	555,000	172,456.26	727,456.26
2037	570,000	150,256.26	720,256.26
2038	595,000	133,156.26	728,156.26
2039	605,000	115,306.26	720,306.26
2040	630,000	96,400.00	726,400.00
2041	650,000	75,925.00	725,925.00
2042	670,000	54,800.00	724,800.00
2043	700,000	28,000.00	728,000.00
TOTALS	$10,410,000	$5,305,009.86	$15,715,009.86

(1) Includes sinking fund installments.

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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, 2032, are non-callable. The Bonds maturing on and after July 1, 2033, 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, 2032 (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.

Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, 2043, are subject to mandatory redemption in part on July 1, 2042, and July 1, 2043, from the sinking fund installments required to be paid by the District with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (July 1)	Principal Amount of Bonds to be Redeemed
2042	$670,000
2043†	700,000

†Maturity.

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 percent (120%) 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 percent (120%) 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 percent (120%) 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 percent-five (120%) 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 (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)(B) and (C) 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 only 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.

MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Policy

Concurrently with the delivery of the Bonds, the Municipal Bond Insurer will issue the Municipal Bond Insurance Policy. The Municipal Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form APPENDIX H—SPECIMEN MUNICIPAL BOND IN SURANCE POLICY.

The Municipal Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

The Municipal Bond Insurer is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. The Municipal Bond Insurer provides credit enhancement products solely to issuers in the U.S. public finance markets. The Municipal Bond Insurer will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of the Municipal Bond Insurer is liable for the obligations of the Municipal Bond Insurer.

The address of the principal executive offices of the Municipal Bond Insurer is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located

at: www.buildamerica.com.

The Municipal Bond Insurer is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

The Municipal Bond Insurer's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of the Municipal Bond Insurer should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of the Municipal Bond Insurer and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of the Municipal Bond Insurer in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. The Municipal Bond Insurer only guarantees scheduled principal and scheduled interest payments payable by the District on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Municipal Bond Insurance Policy), and the Municipal Bond Insurer does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

The Municipal Bond Insurer's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2021 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $481.5 million, $183.4 million and $298.1 million, respectively.

The Municipal Bond Insurer is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by the Municipal Bond Insurer, subject to certain limitations and restrictions.

The Municipal Bond Insurer's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on the Municipal Bond Insurer's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to the Municipal Bond Insurer at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

The Municipal Bond Insurer makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Municipal Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Municipal Bond Insurer, supplied by the Municipal Bond Insurer and presented under the heading "MUNICIPAL BOND INSURANCE."

Additional Information Available from BAM

Credit Insights Videos. For certain Municipal Bond Insurer-insured issues, the Municipal Bond Insurer produces and posts a brief Credit Insights video that provides a discussion of the obligor and some

of the key factors the Municipal Bond Insurer's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on Municipal Bond Insurer 's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference).

Credit Profiles. Prior to the pricing of bonds that the Municipal Bond Insurer has been selected to insure, the Municipal Bond Insurer may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g., general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by the Municipal Bond Insurer, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. The Municipal Bond Insurer pre-sale and final Credit Profiles are easily accessible on the Municipal Bond Insurer 's website at www.buildamerica.com/credit-profiles. The Municipal Bond Insurer will produce a Credit Profile for all bonds insured by the Municipal Bond Insurer, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference).

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and the Municipal Bond Insurer assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by the Municipal Bond Insurer; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

The Municipal Bond Insurer receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither the Municipal Bond Insurer nor any affiliate of the Municipal Bond Insurer has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

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 appropriative rights and licensed post-1914 appropriative rights. Its licensed 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 an post-1914 water rights on the Mokelumne River 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 degree from Delta College. He is an agri-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 2013, representing Division 2. Mr. Bussman is an ag-business grape grower.

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 17 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.

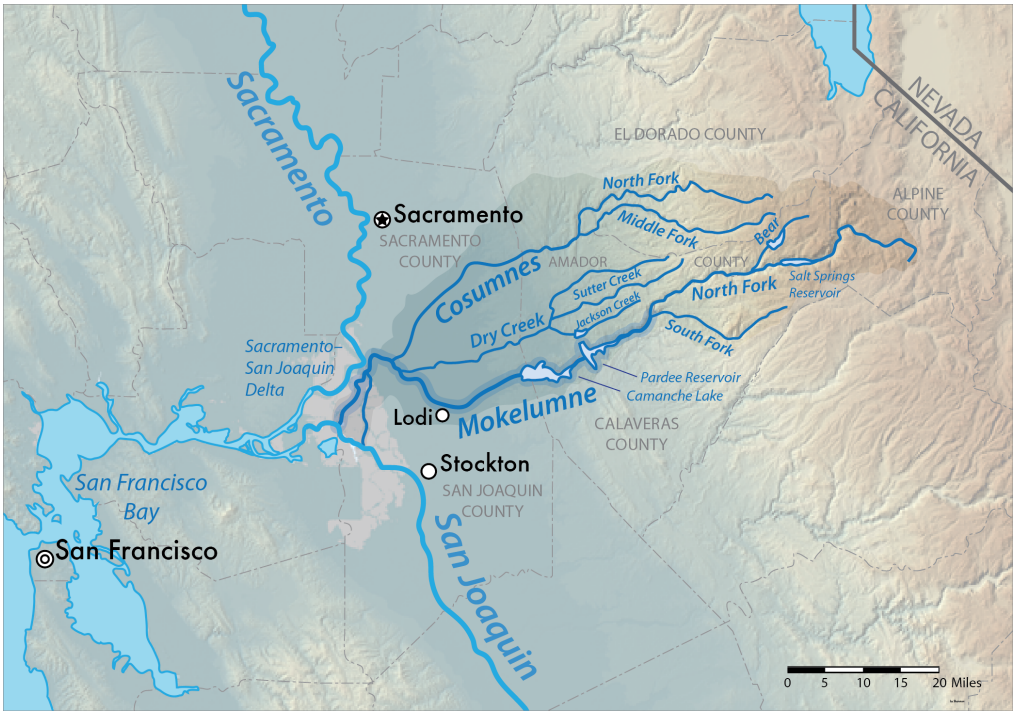
The Mokelumne River is divided into the Upper Mokelumne River, which stretches from the headwaters to Pardee Reservoir in the Sierra foothills, and the Lower Mokelumne River, which refers to the portion of the river below Camanche Dam. In its lower course, the Mokelumne River is used heavily for irrigation 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

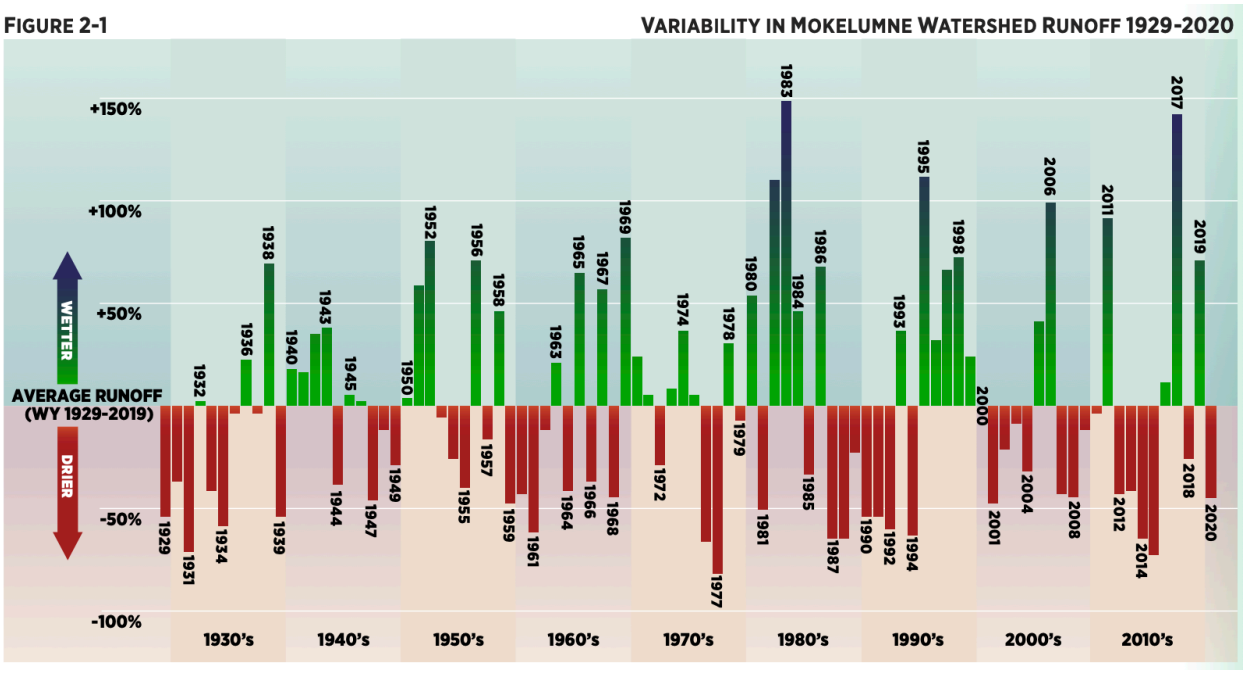


Source: Wikipedia.

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").

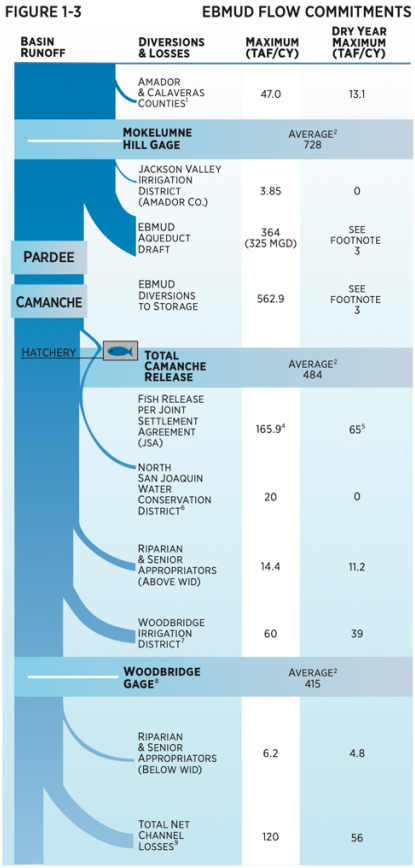
EBMUD, a public utility formed under the Municipal Utility District Act in 1923, provides water services to the East Bay region of the San Francisco Bay Area. EBMUD diverts Mokelumne stream flow upstream of the District in its Pardee and Camanche reservoirs. A portion of the water diverted at Pardee 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 EBMUD's summary of its 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, EBMUD has contractually committed that the District, located below the

Camanche reservoir will have flows of 60 thousand acre-feet ("TAF") available for diversion by the District 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.

EBMUD'S SUMMARY OF ITS MOKELUMNE RIVER FLOW COMMITMENTS



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 met 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 yield of the District's Mokelumne River rights to divert water from the Mokelumne River during a dry period are recognized in an agreement with EBMUD. The agreement requires EBMUD to ensure a minimum of 60 TAF is available for diversion by the District each year when the inflow to Pardee Reservoir is 375 TAF or greater. During those years when the inflow to Pardee reservoir is less than 375 TAF, EBMUD's contractual obligation is subject to a 35% deficiency which reduces the quantity EBMUD

must make available to the District for diversion to 39 TAF. There is no provision by which EBMUD is permitted to make available for diversion less than 39 TAF.

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 60 TAF. 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 was diverted by the District at the Woodbridge Dam during all but six years. However, since 1975, diversions have 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 cessation of agreement by EBMUD to provide higher quantities than 60 TAF and changing crop practices, including the discontinuation of rice cultivation within the District. The District has also taken various conservation steps to help its customers make more efficient use of its available supply.

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 addition 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 recent 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.

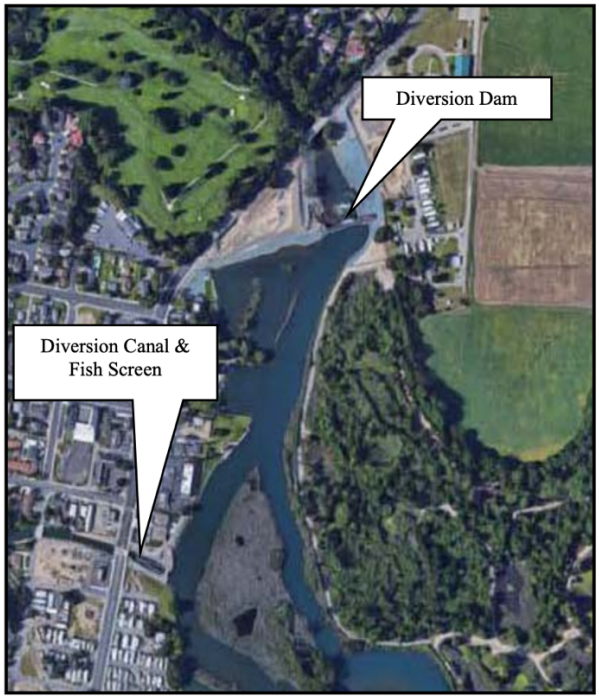
The District serves water to its customers by gravity flows from the head works at the diversion canal in Woodbridge. A gravity diversion is achieved when the dam gates are raised thereby creating the Lodi Lake impoundment, which is approximately 1,400 acre feet in capacity.

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.

WOODBRIDGE 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 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 require EBMUD to make 60 TAF of water available for diversion in most years and 39 TAF available for diversion in extremely dry years. In a year when the inflow into EBMUD's Pardee Reservoir is 375 TAF or greater, EBMUD must make 60 TAF available for diversion by the District. In a year when the inflow into

Pardee Reservoir is less than 375 TAF (an extremely dry year), EBMUD must make 39 TAF available for diversion by the District. There is no contract provision by which EBMUD is permitted to make available 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 the available water supply. The District's obligations require it to provide as much of the water supply available each year as is appropriate to for 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 make available less than 39 TAF to the District during drought conditions and EBMUD has never failed to make available at least 39 TAF to the District in any year.

The 2021 drought throughout California and in the San Joaquin Central Valley was one of the worst in recorded history affecting the total water supply that the District had available for its customers. The effects on reduced amounts of water deliveries to agricultural growers did reduce minimally reduce yields. The drought's effects on Lodi and Stockton did cause them to implement increased conservation measures. These effects did not substantially affect the financial position of the District. The District's agreement with EBMUD did reduce the available supply from the Mokelumne River from 60,000 acre feet to 39,000 acre feet but only caused a small financial impact to the District's financial statements due to greater reliance on other water supplies and conservation measures. Stockton's contract 6,500 acre foot allocation was reduced by 1,500 acre feet and Lodi's 6,000 acre foot allocation was reduced by 1,000 AF. Total income from agricultural and municipal contracts and expenses were not reduced significantly and net income was up over budget projections and all previous years.

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

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

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
WOODBRIDGE IRRIGATION DISTRICT
HISTORICAL WATER SALES AND TOTAL DIVERSIONS
2002 to 2021

	Irrigation Customers			Municipal Customers		
Year	Number of Contracts	Acres	Agriculture Revenue	City of Lodi Revenue	City of Stockton Revenue	Total AF Diverted
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	188	12,985	550,203	1,535,033	1,627,599	39,000

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
WOODBRIDGE IRRIGATION DISTRICT
CROP REPORT
Year ending December 31, 2021

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

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

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

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
WOODBRIDGE IRRIGATION DISTRICT
HISTORICAL RATES
2001 to 2021

Year	Irrigation Water Rates (per acre-foot)
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	25.25

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.

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		$ 1,399,119	10.00%
	Total System		$14,191,983	100.00%

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	13,024,684	13,843,898	14,420,751	15,450,399	16,966,094
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	6,800,534	7,732,743	7,393,348	7,713,304	9,940,227
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	2,351,580	2,308,061	2,305,611	2,307,111	2,432,148
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		$ 2,473,623	4.73%
	Total System		$52,301,591	100.00%

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	37,906,057	41,542,707	54,041,734	53,047,827	65,686,410
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	13,328,964	12,881,124	17,224,561	15,010,992	14,254,313
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	1,265,251	10,359,619	14,234,766	12,873,638	20,488,055

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 XIIIA 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 December 31, 2021, the District had an unrestricted fund balance of $12,350,935 or 4.23 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
WOODBRIDGE IRRIGATION DISTRICT
HISTORICAL REVENUES, EXPENSES AND DEBT SERVICE COVERAGE

	Fiscal Year Ended December 31,				
	2017	2018	2019	2020	2021[1]
OPERATING REVENUES					
Irrigation Water Sales	$ 469,574	$ 480,411	$ 460,487	$ 518,687	$ 550,203
Municipal Water Sales	2,899,282	2,957,268	3,369,257	3,345,519	3,170,552
Water Standby Charges	125,395	122,025	123,219	123,301	123,735
Groundwater Recharge Fees	50,000	48,813	48,821	48,898	51,537
Other Operating Revenues	155,992	171,995	200,710	173,489	155,732
Total Operating Revenue	3,700,243	3,780,512	4,202,494	4,209,894	4,102,696
Other Revenue:					
Property Taxes	579,812	647,611	692,314	749,397	746,685
Interest Income	50,000	52,000	126,140	87,005	31,179
Gain on Sale of Property	10,000	—	11,025	42,000	-
Total Other Operating Revenue	639,812	699,611	829,479	878,402	777,864
Total Revenues	4,340,055	4,480,123	5,031,973	5,088,296	4,829,323
OPERATING EXPENSES					
Personnel Services and Benefits	1,250,832	1,071,107	1,099,706	1,379,477	1,748,560[2]
Vegetation & Weed Control	33,800	13,845	30,544	32,900	40,402
Vehicle O&M	58,764	25,831	38,675	36,072	64,462
Utilities, Insurance, Claims	131,368	45,909	70,854	74,719	166,797[2]
Other Supplies & Expenses	232,632	207,993	211,487	237,861	258,9978
Total Operating Expenses	1,707,396	1,364,685	1,451,266	1,761,029	2,279,139
Net Income available for Debt Service	2,632,659	3,115,438	3,580,707	3,327,267	2,550,184
Debt Service	823,225	825,425	820,975	819,975	823,575
Debt Service Coverage Ratio	3.20x	3.77x	4.36x	4.06x	3.10x
Net Income After Debt Service	1,809,434	2,290,013	2,759,732	2,507,292	1,726,609

Source: Woodbridge Irrigation District
(1) 2021 data is unaudited.
(2) Reflects increased pumping costs and labor delivery costs for diversions of alternative sources of water due to 2021 drought conditions. For additional discussion of the 2021 drought, see "DISTRICT WATER SYSTEM – Drought" herein.

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
WOODBRIDGE IRRIGATION DISTRICT
PROJECTED REVENUES, EXPENDITURES AND DEBT SERVICE COVERAGE

	Fiscal Year Ending December 31,				
	2022	2023	2024	2025	2026
OPERATING REVENUES					
Irrigation Water Sales	$ 526,320	$ 547,373	$ 569,268	$ 592,038	$ 615,720
Municipal Water Sales	329,080	3,395,662	3,463,575	3,532,846	3,603,503
Water Standby Charges	123,301	123,301	123,301	123,301	123,301
Groundwater Recharge Fees	84,898	48,898	48,898	48,898	48,898
Other Operating Revenues	180,000	185,400	190,962	196,691	202,592
Total Operating Revenue	4,207,599	4,300,633	4,396,004	4,493,775	4,594,014
Other Revenue:					
Property Taxes	790,000	805,800	821,916	838,354	855,121
Interest Income	30,000	30,000	30,000	30,000	30,000
Gain on Sale of Property	25,000	25,000	25,000	25,000	25,000
Total Other Operating Revenue	845,000	860,800	876,916	893,354	910,121
Total Revenues	5,052,599	5,161,433	5,272,920	5,387,129	5,504,135
OPERATING EXPENSES					
Personnel Services and Benefits	1,500,000	1,560,000	1,622,400	1,687,296	1,754,788
Vegetation & Weed Control	39,858	40,655	41,468	42,298	43,144
Vehicle O&M	47,267	49,158	51,124	53,169	55,296
Utilities, Insurance, Claims	82,023	84,050	86,572	89,169	91,844
Other Supplies & Expenses	244,822	247,000	249,000	251,000	252,000
Total Operating Expenses	1,913,970	1,980,863	2,050,564	2,122,931	3,307,064
Net Income available for Debt Service	3,138,629	3,180,571	3,222,356	3,264,197	3,307,064
Debt Service ~~(1)~~	719,996	726,956	725,756	728,656	730,356
Debt Service Coverage Ratio ~~(1)~~	4.36x	4.38x	4.44x	4.48x	4.53x
Net Income After Debt Service	2,418,633	2,453,615	2,496,600	2,535,541	2,576,708

Source: Woodbridge Irrigation District
~~(1) Preliminary, subject to change.~~

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 XIIIA

On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the California Constitution ("Article XIIIA"). Article XIIIA 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 XIIIA 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 XIIIA 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 XIIIA 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 XIIIB

Under Article XIIIB 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 XIIIB, 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 XIIIC and XIIID 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 XIIID 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 XIIID would presumably have to be complied with.

Section 6 of Article XIIID 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 XIIID 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 XIIID 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 XIIID, 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 XIIIC 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 XIIIC and Article XIIID 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 XIIIC and Article XIIID to limit the ability of local agencies to impose, levy, charge and collect increased fees and charges for water, or to call into question previously adopted water rate increases.

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 XIIIC and Article XIIID. In particular, provisions of Article XIIIC (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 XIIID 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 XIIIC or Article XIIID 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 XIIIC and Article XIIID, 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 XIIIC. The proposition attempts to define "tax" as used within Article XIIIC 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 XIIIC, XIIID 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 XIIID, Section 5(c), specifically recognizes that any assessment existing on the effective date (of Article XIIID) 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 Bond 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.

Risks Relating to the Municipal Bond Insurance Policy

In the event of default of the payment of principal of or interest on the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Municipal Bond Insurance Policy for such payments. The Municipal Bond Insurance Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory sinking fund or optional prepayment of the Bonds by the District which is recovered by the District from the Owner as a voidable preference under applicable bankruptcy law is covered by the Municipal Bond Insurance Policy, however, such payments will be made by the Municipal Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the Municipal Bond Insurer chooses to pay such amounts at an earlier date.

The Municipal Bond Insurer may direct and must consent to any remedies and the Municipal Bond Insurer's consent may be required in connection with amendments to any applicable legal documents.

In the event the Municipal Bond Insurer is unable to make payment of principal and interest as such payments become due under the Municipal Bond Insurance Policy, the Bonds are payable solely from the moneys received pursuant to the applicable legal documents. In the event the Municipal Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Municipal Bond Insurer and its claim paying ability. The financial strength and claims paying ability of the Municipal Bond Insurer are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Municipal Bond Insurer and of the ratings on the Bonds will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "RATINGS" herein.

The obligations of the Municipal Bond Insurer are general obligations of the Municipal Bond Insurer and in an event of default by the Municipal Bond Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District nor the Underwriter has made independent investigation into the claims paying ability of the Municipal Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Municipal Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Municipal Bond Insurer, particularly over the life of the investment.

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 Moskovitz 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.

RATINGS

S&P has assigned the rating of "AA" (stable outlook) to the Bonds based on the issuance of the Municipal Bond Insurance Policy by the Municipal Bond Insurer at the time of delivery of the Bonds. See "MUNICIPAL BOND INSURANCE." In addition, S&P has assigned the underlying rating of "A+" (stable outlook)to the Bonds without regard to the issuance of the Municipal Bond Insurance Policy. These ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. There is no assurance that 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 the S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The District has covenanted in the Continuing Disclosure Certificate to file on the Electronic Municipal Market Access ("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, via 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.

The District completed its annual reports for each of the last five years but the dissemination agent failed to file them as required. The reports have now been filed.

UNDERWRITING

Following a competitive sale, the Bonds were purchased by Huntington Securities, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a purchase price of $11,494,538.54 (being equal to the aggregate principal amount of the Bonds of $10,410,000.00, plus a net original issue premium of $1,195,668.65, less an underwriter's discount of $111,130.11). 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.

WOODBRIDGE IRRIGATION DISTRICT

By /s/ Anders Christensen
Anders Christensen,
Manager

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APPENDIX A

SUMMARY OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of its provisions. All capitalized terms not defined in this Official Statement have the meaning set forth in the Indenture.

Definitions

"*Authorized Officer*" means, with respect to the District, the President of the Board, the Vice President of the Board, the Manager, and any other person designated as an Authorized Officer of the District by a Certificate of the District signed by the District Manager or the Director of Finance and filed with the Trustee.

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

"*Bond Registration Books*" means the books maintained by the Trustee pursuant to the Indenture for the registration and transfer of ownership of the Bonds.

"*Bond Year*" means any twelve-month period commencing on July 2 in a year and ending on the next succeeding July 1, both dates inclusive; *provided, however*, that the first Bond Year shall commence on the Closing Date relating to the Bonds and shall end on July 1, 2022.

"*Bond Fund*" means the fund by that name established pursuant to the Indenture.

"*Bonds*" means the District's 2022 Water System Refunding Revenue Bonds, issued and at any time Outstanding under the Indenture.

"*Business Day*" means a day of the year other than (i) a Saturday or Sunday, (ii) a day on which banks in Los Angeles, California, or San Francisco, California, are required or authorized to remain closed and (iii) a day on which The New York Stock Exchange is not closed.

"*Certificate*," "*Statement*," "*Request*," "*Requisition*" and "*Order*" of the District mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the District by an Authorized Officer of the District. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

"*District*" means the Woodbridge Irrigation District, a special district organized and existing under the constitution and laws of the State, and any successor thereto.

"*Closing Date*" means April 5, 2022, the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Original Purchaser thereof.

"*Code*" means the Internal Revenue Code of 1986 as in effect on the Closing Date, or as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

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

"*Costs of Issuance*" means all items of expense directly or indirectly payable by or reimbursable to the District relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, operating expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, fiscal consultants, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, the premium for the Municipal Bond Insurance Policy and any other cost, charge or fee in connection with the original issuance of the Bonds.

"*Costs of Issuance Fund*" means the fund so designated and established pursuant to the Indenture.

"*Debt Service*" means, for any period in question, the sum of (i) debt service on the Bonds due and payable in such period; plus (ii) debt service on all Parity Debt due and payable in such period (assuming that the proposed Parity Debt to be issued under the Indenture has in fact been issued).

"*Escrow Agreement*" means that certain Escrow Agreement, dated the Closing Date, by and between the District and the Escrow Bank, providing for the defeasance of the 2013 Certificates.

"*Escrow Bank*" means The Bank of New York Mellon Trust Company, N.A., appointed by the District to act as escrow bank under the Escrow Agreement, and its assigns or any other corporation or association which may at any time be substituted in its place, as provided in the Escrow Agreement.

"*Escrow Fund*" means the fund by that name established pursuant to the Escrow Agreement.

"*Event of Default*" means any of the events of default described in the Indenture.

"*Federal Securities*" means direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same.

"*Financial Consultant*" means any consultant or firm of such consultants appointed by the District and who, or each of whom: (a) is judged by the District to have experience in matters relating to the financing of Water Systems; (b) is in fact independent and not under domination of the District; (c) does not have any substantial interest, direct or indirect, with the District; and (d) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

"*Fiscal Year*" means the period commencing on July 1 of each year and terminating on the next succeeding June 30.

"*Gross Revenues*" means 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, 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 limited by or pursuant to the law 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 as permitted in the Indenture, and (d) all investment earnings credited by the Trustee under the Indenture to the Bond Fund; *provided, however*, that the term "Gross Revenues" shall not include customers' deposits or any other deposits subject to refund until such deposits have become the property of the District.

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

"*Independent Accountant*" means any accountant or firm of such accountants appointed and paid by the District, and who, or each of whom (a) is in fact independent and not under domination of the District; (b) does not

have any substantial interest, direct or indirect, with the District; and (c) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make annual or other audits of the books of or reports to the District.

"*Independent Engineer*" means any registered engineer or firm of such registered engineers, of national reputation, appointed by the District and who, or each of whom: (a) is judged by the District to have experience in matters relating to the engineering matters relating to water system enterprises; (b) is in fact independent and not under domination of the District; (c) does not have any substantial interest, direct or indirect, with the District other than as purchaser of the Bonds or any Parity Debt; and (d) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District

"*Information Services*" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information with respect to called bonds as the District may designate in a Certificate of the District delivered to the Trustee.

"*Interest Account*" means the account by that name in the Bond Fund established pursuant to the Indenture.

"*Interest Payment Date*" means January 1 and July 1 in each year, beginning July 1, 2022, and continuing so long as any Bonds remain Outstanding.

"*Late Payment Rate*" means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest with respect to the Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Municipal Bond Insurer shall specify.

"*Maximum Annual Debt Service*" means, as of the date of any calculation, the maximum amount of Debt Service on the Outstanding Bonds and all outstanding Parity Debt for the current or any future Fiscal Year.

"*Moody's*" means Moody's Investors Service, New York, New York, or its successors.

"*Municipal Bond Insurance Policy*" means the municipal bond insurance policy issued by the Municipal Bond Insurer guaranteeing the payment, when due, of the principal and interest with respect to the Bonds.

"*Municipal Bond Insurer*" means Build America Mutual Assurance Company, or any successor thereto or assigns thereof.

"*Net Proceeds*" means the par amount of the Bonds plus accrued interest and premium, if any, less the amount of any underwriter's and original issue discount, less the proceeds applied to pay Costs of Issuance.

"*Net Revenues*" means, for 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 during such period.

"*Operation and Maintenance Expenses*" means, 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 execution of any agreement or resolution authorizing the issuance of any Parity Debt or Subordinate Debt, such as compensation, reimbursement and indemnification of the trustee, seller or lessor for any such Parity Debt or Subordinate Debt and the fees of any Independent Accountants or Independent Engineers, but excluding in all cases, depreciation, replacement and obsolescence charges or reserve therefor and amortization of intangibles

"*Original Purchaser*" means the first purchaser of the Bonds from the District.

"*Outstanding*," when used as of any particular time with reference to Bonds, means all Bonds theretofore executed, issued and delivered by the District under this Indenture except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of the Indenture; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the District pursuant to this Indenture or any Supplemental Indenture.

"*Owner*" or "*Bond Owner*", when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Bond Registration Books.

"*Parity Debt*" means all bonds, notes or other obligations of the District payable from and secured by a pledge of and lien upon any of the Net Revenues issued or incurred on a parity with the Bonds.

"*Parity Debt Instrument*" means, with respect to any issue of Parity Debt, the agreement, indenture of trust, resolution or other instrument authorizing the issuance of such Parity Debt.

"*Participating Underwriter*" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"*Permitted Investments*" means:

(a) Federal Securities.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

2. U.S. Farmers Home Administration (FmHA)
   Bonds of Beneficial Ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
   Participation Bonds

6. Government National Mortgage Association (GNMA or Ginnie Mae)
GNMA—guaranteed mortgage-backed bonds
GNMA—guaranteed pass-through obligations

7. U.S. Maritime Administration
Guaranteed Title XI financing

8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Agency Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and 2010 Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies which are not backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
Participation Certificate
Senior debt obligations

3. Federal National Mortgage Association (FNMA or Fannie Mae)
Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or Sallie Mae)
Senior debt obligations

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, which invest substantially in Federal Securities, if rated by S&P, having a rating at the time of investment of AAAm-G; and if rated by Moody's having a rating at the time of investment of Aaa, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives and retains a fee for services provided to the fund, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(e) Bonds of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks or savings and loan associations (including the Trustee or its affiliates). The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral.

(f) Bonds of deposit, savings accounts, deposit accounts, demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit (including those placed by a third party pursuant to an agreement between the Trustee and the District), or bankers acceptances of depository institutions (including the Trustee or any of its affiliate) or money market deposits which are fully insured by FDIC and, to the extent such deposits are in excess of the amounts protected by FDIC insurance, secured at all times by collateral described in (a) and/or (b) above.

(g) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

(h) Federal funds or bankers acceptances with a maximum term of 180 days of any bank which has an unsecured, uninsured and unguaranteed obligation rating at the time of investment of "Prime-1" or better by Moody's and "A-1" or better by S&P.

(i) The Local Agency Investment Fund of the State, created pursuant to section 16429.1 of the California Government Code.

(j) Municipal obligations rated "A" or higher by Moody's or S&P.

(k) Other forms of investments that satisfy the District's Statement of Investment Policy as of the time of investment.

Ratings of Permitted Investments referred to in the Indenture shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments, or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

"*Principal Account*" means the account by that name in the Bond Fund established pursuant to the Indenture.

"*Principal Payment Date*" means July 1 in each year, beginning July 1, 2022, and continuing so long as any Bonds remain Outstanding.

"*Rating Category*" means, with respect to any Permitted Investment, one or more of the generic categories of rating by Moody's and/or S&P applicable to such Investment Security, without regard to any refinement or gradation of such rating category.

"*Record Date*" means the fifteenth (15th) calendar day of the month immediately preceding an Interest Payment Date.

"*Refunding Bond Law*" means Article 10 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53570) of the California Government Code, as in effect on the Closing Date or as thereafter amended in accordance with its terms.

"*Responsible Officer*" means, when used with respect to the Trustee, any managing director, president, vice president, senior associate, associate or other officer of the Trustee within the Trust Office of the Trustee (or any successor Trust Office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Trust Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture."

"S&*P*" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, New York, New York, or its successors.

"*Securities Depositories*" means The Depository Trust Company, 55 Water System Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Certificate of the District delivered to the Trustee.

"*Sinking Account*" means the account by that name in the Bond Fund established pursuant to the Indenture, if required.

"*Special Record Date*" means the date established by the Trustee pursuant to the Indenture as a record date for the payment of defaulted interest on Bonds.

"*State*" means the State of California.

"*Subordinate Debt*" means indebtedness or other obligations (including leases and installment sale agreements) hereafter issued or incurred and secured by a pledge of and lien on Net Revenues subordinate to the Bonds and Parity Debt.

"*Supplemental Indenture*" means any indenture hereafter duly authorized and entered into between the District and the Trustee, amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"*Trust Office*" means the principal corporate trust office of the Trustee in Los Angeles, California; provided that with respect to presentation of Bonds for payment or for registration of transfer and exchange or surrender and cancellation such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, or such other address specified by the Trustee from time to time.

"*Trustee*" means The Bank of New York Mellon Trust Company, N.A., appointed by the District to act as trustee hereunder pursuant to the Indenture, and its assigns or any other corporation or association which may at any time be substituted in its place, as provided in the Indenture.

"*2013 Certificates*" means the Woodbridge Irrigation District Certificates of Participation (2013 Refinancing Project), payable from installment payments made by the District under the 2013 Installment Sale Agreement, of which $11,005,000 remains outstanding as of the Closing Date.

"*2013 Installment Sale Agreement*" means Installment Sale Agreement, dated as of April 1, 2013, by and between the Woodbridge Irrigation District Public Facilities Financing Corporation and the District.

"Water Fund" means the Water Fund established and held by the District for purposes of accounting for the revenues and expenditures of the Water System.

"*Water System*" means 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.

Costs of Issuance Fund

The moneys in the Costs of Issuance shall be used and withdrawn by the Trustee to pay Costs of Issuance upon receipt by the Trustee of a Requisition of the District stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge

against said account. Each such Requisition of the District shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

At the end of three months from the Closing Date, or upon earlier receipt of a Certificate of the District stating that amounts in the Costs of Issuance Fund are no longer required for the payment of Costs of Issuance, the Costs of Issuance Fund shall be closed and any amounts then remaining in the Costs of Issuance Fund shall be transferred to the Bond Fund.

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 under the Indenture, 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 of the Indenture. 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. 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.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract between the District and the Owners from time to time of the Bonds and the covenants and agreements set forth in the Indenture to be performed by or on behalf of the District shall 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.

The Trustee shall establish and maintain the Bond Fund and, within the Bond Fund, the Interest Account and the Principal Account.

Receipt, Deposit and Application of Gross Revenues and Net Revenues

Application of Gross Revenues. All of the Gross Revenues shall be deposited by the District immediately upon receipt in the Wastewater Fund. All Gross Revenues shall be held in trust by the District in the Wastewater 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 Wastewater 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 Wastewater 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 and the Principal 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 Wastewater 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 Wastewater 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 Wastewater 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.

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.

Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased prior to maturity pursuant to the Indenture).

Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely for the purposes of paying the principal of the Bonds when due and payable.

Application of Sinking Account. All amounts in the Sinking Account shall be used and withdrawn by the Trustee solely for the purposes of paying the sinking fund installments of the Bonds when due and payable.

Investment of Moneys in Funds and Accounts

All moneys in any of the funds and accounts established pursuant to the Indenture shall, upon Request of the District provided at least two Business Days prior to the date of investment, be invested by the Trustee, but solely in Permitted Investments. In the absence of any such directions from the District, the Trustee shall invest any such moneys in the money market fund set forth in the letter of authorization and direction executed by the District and delivered to the Trustee. If no specific money market fund had been specified by the District, the Trustee shall make a request to the District for investment directions and, if no investment directions are provided within 10 days, such amount shall be held in cash, uninvested during such 10 day period and thereafter, until specific investment directions are provided by the District to the Trustee. All Permitted Investments shall be acquired subject to the limitations as to maturities hereinafter set forth in the Indenture and such additional limitations or requirements consistent with the foregoing as may be established by Request of the District. The Trustee may rely conclusively upon the investment direction of the District as to the suitability and legality of the directed investment..

All interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to the Indenture shall be deposited when received in the Bond Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment shall be credited to the fund or account for the credit of which such Permitted Investment was acquired.

The Trustee may commingle any of the funds or accounts established pursuant to the Indenture into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee under the Indenture shall be accounted for separately as required by the Indenture. The Trustee or an affiliate may act as principal or agent in the making or disposing of any investment. The Trustee may sell, or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investment is credited, and, subject to the provisions of the Indenture, the Trustee shall not be liable or responsible for any loss resulting from such investment.

The District acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the District. Upon the District's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. In determining the market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture.

Certain Covenants

Punctual Payment. The District shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Net Revenues and other assets pledged for such payment as provided in the Indenture.

Extension of Payment of Bonds. The District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in the Indenture shall be deemed to limit the right of the District to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Discharge of Claims. The District covenants that in order to fully preserve and protect the priority and security of the Bonds the District shall pay from the Net Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Sewer System which, if unpaid, may become a lien or charge upon the Net Revenues prior or superior to the lien of the Bonds and impair the security of the Bonds. The District shall also pay from the Net Revenues all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the Sewer System or upon any part thereof or upon any of the Net Revenues therefrom.

Operation of Sewer System in Efficient and Economical Manner. The District covenants and agrees to operate, or cause to be operated, the Sewer System in an efficient and economical manner and to operate, maintain and preserve the Sewer System in good repair and working order.

Against Encumbrances. Except as provided in the Indenture, the District covenants that the property, facilities and improvements of the Sewer System shall not be voluntarily mortgaged or otherwise encumbered, leased, pledged, any charge placed thereon, or disposed of as a whole or substantially as a whole unless: (a) the District shall cause to be filed with the Trustee written evidence from Moody's, if Moody's is rating the Bonds, and/or S&P, if S&P is rating the Bonds, that such sale or other disposition will not cause a reduction or withdrawal of the uninsured rating then assigned to the Bonds by each such rating agency; and (b) such sale or other disposition shall be so arranged as to provide for a continuance of payments into the Bond Fund sufficient in amount to permit payment therefrom of the principal of and interest on the Outstanding Bonds, and also to provide for such payments into the funds as are required under the terms of the Indenture. Notwithstanding the foregoing, the District may lease real property constituting a portion of the Sewer System; provided that the lease payments shall be considered Gross Revenues under the Indenture.

The District further covenants that the Net Revenues or any other funds pledged or otherwise made available to secure payment of the principal of and interest on the Outstanding Bonds shall not be mortgaged, encumbered, sold, leased, pledged, any charge placed thereon, or disposed of or used except as authorized by the terms of the Indenture. The District further covenants that it will not enter into any agreement which impairs the operation of the Sewer System or any part of it necessary to secure adequate Net Revenues to pay the principal and interest of the Bonds or which otherwise would impair the rights of the Bond Owners with respect to the Net Revenues.

Records and Accounts. The District covenants that it shall keep proper books of record and accounts of the Sewer System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Sewer System. Said books shall, upon reasonable request, be subject to the inspection of the Owners of not less than ten percent (10%) of the Outstanding Bonds or their representatives authorized in writing.

The District covenants that it will cause the books and accounts of the Sewer System to be audited annually by an Independent Accountant and will make available for inspection by the Bond Owners at the Trust Office, upon reasonable request, a copy of the report of such Independent Accountant. Any such audit may be combined with and be a part of the general audit of the District's financial records.

The District covenants that it will cause to be prepared annually, not more than two hundred ten (210) days after the close of each Fiscal Year a summary statement showing the amount of Gross Revenues and the amount of all other funds collected which are required to be pledged or otherwise made available as security for payment of principal of and interest on the Bonds, the disbursements from the Gross Revenues and other funds in reasonable detail, and a general statement of the financial and physical condition of the Sewer System. The District shall furnish a copy of the statement to any Bond Owner upon written request.

Rates and Charges.

Covenant Regarding Gross Revenues. The District covenants to fix, prescribe, revise and collect rates, fees and charges for the Sewer System as a whole for the services and improvements furnished by the Sewer 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 Sewer 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 Sewer System during each Fiscal Year which are sufficient to yield Net Revenues which are at least equal to one hundred twenty percent (120%) 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 Sewer 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 percent (120%) 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 and the Municipal Bond Insurer of such fact and to employ an independent consultant to make recommendations as to a revision of the rates, fees and charges of the Sewer System or the methods of operation of the Sewer System that will result in producing Net Revenues equal to at least one hundred twenty percent (120%) 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 Council 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 Council 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 the 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 the 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 the 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 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 the 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, plus, at the option of the District, Additional Revenues, shall at least equal one hundred twenty percent (120%) 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 (ii):

(A) An allowance for revenues from any additions to or improvements or extensions of the Sewer 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) An allowance for earnings arising from any increase in the charges made for service from the Sewer 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 Sewer System, or otherwise for facilities, improvements or property which the District determines are of benefit to the Sewer 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 Sewer 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 Sewer 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 the Parity Debt paragraph. 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.

Tax Covenants.

Private Activity Bond Limitation. The District shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of section 141(b) of the Code.

Private Loan Financing Limitation. The District shall assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private loan financing test of section 141(c) of the Code.

Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Rebate Requirement. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government.

No Arbitrage. The District shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds, to be "arbitrage bonds" within the meaning of section 148 of the Code.

Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

Continuing Disclosure. The District covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Maintenance and Operation of the Sewer System. The District covenants and agrees that it will operate and maintain the Sewer System in accordance with all applicable governmental laws, ordinances, approvals, rules, regulations and requirements including, without limitation, such zoning, sanitary, pollution and safety ordinances and laws and such rules and regulations thereunder as may be binding upon the District.

Taxes, Assessments, Other Governmental Charges and Utility Charges. The District covenants and agrees that it will pay and discharge all taxes, assessments, governmental charges of any kind whatsoever, and utility charges which may be or have been assessed or which may have become liens upon the Sewer System or the interest therein of the Trustee or of the Owners of the Bonds, and will make such payments or cause such payments to be made, respectively, in due time to prevent any delinquency thereon or any forfeiture or sale of the Sewer System or any part thereof, and upon request, will furnish to the Trustee receipts for all such payments, or other evidence satisfactory to the Trustee; *provided, however*, that the District shall not be required to pay any tax, assessment, rate or charge as provided in the Indenture as long as it shall in good faith contest the validity thereof, provided that the District shall have set aside adequate reserves with respect thereto.

Public Liability and Property Damage Insurance. The District shall maintain or cause to be maintained, so long as any Bonds or Parity Debt remain outstanding, but only if and to the extent available at reasonable cost from reputable insurers, a standard comprehensive general insurance policy or policies in protection of the District and its members, officers, agents, assignees and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Sewer System. Said policy or policies shall provide coverage in such liability amounts and shall be subject to such deductibles as shall be customary with respect to works and property of a like character. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the District, and may be maintained in whole or in part in the form of self-insurance by the District, in the form of the participation by the District in a joint powers agency or other program providing pooled insurance. The proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Casualty Insurance. The District shall procure and maintain or cause to be procured and maintained, so long as any Bonds or Parity Debt remain outstanding, but only in the event and to the extent available from reputable insurers at reasonable cost, casualty insurance against loss or damage to any improvements constituting any part of the Sewer System, covering such hazards as are customarily covered with respect to works and property of like character. Such insurance may be subject to deductible clauses which are customary with respect to works and

property of a like character. Such insurance may be maintained as part of or in conjunction with any other casualty insurance coverage carried by the District and may be maintained, in whole or in part, in the form of self-insurance by the District, subject to the provisions of the Indenture, or in the form of the participation by the District in a joint powers agency or other program providing pooled insurance. All amounts collected from insurance against accident to or destruction of any portion of the Sewer System shall be used to repair, rebuild or replace such damaged or destroyed portion of the Sewer System.

Insurance Net Proceeds; Form of Policies. The District shall pay or cause to be paid when due the premiums for all insurance policies. The District shall annually, on or before September 1, deliver to the Trustee a certificate to the effect that the District has complied with the requirements of the Indenture. The Trustee shall be entitled to rely upon such Certificate of the District as to the District's compliance with the Indenture. In the event that any insurance required pursuant to the Indenture shall be provided in the form of self-insurance, the District shall file with the Trustee annually, within ninety (90) days following the close of each Fiscal Year, a statement of an independent actuarial consultant identifying the extent of such self-insurance and stating the determination that the District maintains sufficient reserves with respect thereto. In the event that any such insurance shall be provided in the form of self-insurance by the District, the District shall not be obligated to make any payment with respect to any insured event except from Net Revenues or from such reserves.

Eminent Domain. Any amounts received as awards as a result of the taking of all or any part of the Sewer System by the lawful exercise of eminent domain, at the election of the District (evidenced by a written Certificate of the District filed with the Trustee and the District) shall be used for the lease, acquisition or construction of improvements or extension of the Sewer System.

Events of Default and Remedies

Events of Default. The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise, in the amounts and at the times provided therefor;

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) default by the District in the observance of any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained (other than as referred to in subsections (a) or (b) above), if such default shall have continued for a period of sixty (60) consecutive days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the District by the Trustee, or to the District and the Trustee by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding;

(d) abandonment by the District of the Sewer System, or any substantial part thereof, and such abandonment shall continue for a period of sixty (60) consecutive days after written notice thereof shall have been given to the District by the Trustee, or to the District and the Trustee by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding, unless the District shall have assumed all of the District's obligations under the Indenture; *provided, however*, that abandonment by the District shall not constitute an Event of Default if such abandonment was caused by unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, earthquakes, explosion, mob violence, riot, inability to procure insurance or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market and unusually severe weather or any similar even and/or occurrences beyond the control of the District; or

(e) the District's filing a petition in voluntary bankruptcy, for the composition of its affairs or for its corporate reorganization under any state or federal bankruptcy or insolvency law, or making an assignment for the benefit of creditors, or admitting in writing to its insolvency or inability to pay debts as they mature, or consenting in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of the Sewer System.

Acceleration of Maturities. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee or the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding shall be entitled, upon notice in writing to the District, to declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Trustee a sum sufficient to pay all the principal of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the District and the Trustee, or the Trustee if such declaration was made by the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

Application of Net Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Net Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (subject to the Indenture) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable charges and expenses of the Trustee (including, but not limited to, reasonable fees and disbursements of its counsel, agents and advisors) incurred in and about the performance of its powers and duties under the Indenture;

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference, and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with

such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Trustee to Represent Bondowners. The Trustee is irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Indenture, the Refunding Bond Law and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondowners, the Trustee in its discretion may and shall upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding (or, if more than one such request is received, the written request executed by the Owners of the greatest percentage of Bonds then Outstanding in excess of twenty-five percent (25%)), and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power granted in the Indenture, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Indenture, the Refunding Bond Law or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Net Revenues and other assets pledged under the Indenture, pending such proceedings. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

Bondowners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondowners not parties to such direction or would expose the Trustee to liability for which it has not been indemnified to its satisfaction.

Limitation on Bondowners' Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Refunding Bond Law or any other applicable law with respect to such Bond, unless (1) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than twenty-five per cent (25%) in aggregate principal amount of the Bonds then Outstanding (or, if more than one such request is received, the written request executed by the Owners of the greatest percentage of Bonds then Outstanding in excess of twenty-five percent (25%)) shall have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be

incurred in compliance with such request; and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy under the Indenture or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Indenture, the Refunding Bond Law, the California Government Code or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner provided in the Indenture and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Remedies Not Exclusive. No remedy in the Indenture conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise.

No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Amendments Permitted

The Indenture and the rights and obligations of the District and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may execute when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under the Indenture. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, provided in the Indenture for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Net Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Net Revenues and other assets (except as expressly provided in the Indenture), or terminate the insurance of the Bonds, without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the District and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture to the Bond Owners at the addresses shown on the Bond Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

The Indenture and the rights and obligations of the District, of the Trustee and of the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the District and the Trustee may execute without the consent of any Bondowners, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District in the Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power in the Indenture reserved to or conferred upon the District, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Owners of the Bonds;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the District may deem necessary or desirable and not inconsistent with the Indenture, and which shall not materially adversely affect the interests of the Owners of the Bonds; and

(iii) to make such additions, deletions or modifications as may be necessary to assure exclusion from gross income for purposes of federal income taxation of interest on the Bonds.

No such Supplemental Indenture shall modify any of the rights or obligations of the Trustee without its prior written consent thereto; nor shall the Trustee be required to consent to any such Supplemental Indenture which affects its rights or obligations under the Indenture.

Defeasance

Discharge of Indenture. Bonds may be paid by the District in any of the following ways; provided that the District also pays or causes to be paid any other sums payable under the Indenture by the District:

(a) by paying or causing to be paid the principal of and interest on Bonds Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or Permitted Investments described in paragraph (a) of the definition thereof ("Defeasance Obligations") in the necessary amount (as provided in the Indenture) to pay Bonds Outstanding; or

(c) by delivering to the Trustee, for cancellation by it, Bonds Outstanding.

If the District shall pay all Bonds Outstanding and shall also pay or cause to be paid all other sums payable under the Indenture by the District, then and in that case, at the election of the District (evidenced by a Certificate of the District, filed with the Trustee, signifying the intention of the District to discharge all such indebtedness and the Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Net Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the District under the Indenture shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Indenture. In such event, upon Request of the District, the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to the Indenture which are not required for the payment of Bonds not theretofore surrendered for such payment.

Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Indenture) to pay any Outstanding Bond.

The District may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Deposit of Money or Securities with Trustee. Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or Defeasance Obligations in the necessary amount to pay any Bonds, the money or Defeasance Obligations so to be deposited or held may include money or Defeasance Obligations held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity; or

(b) Defeasance Obligations the principal of and interest on which when due will provide money sufficient in the opinion of a certified public accountant to pay the principal of and all unpaid interest to maturity on the Bonds to be paid, as such principal and interest become due.

Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys held by the Trustee in trust for the payment of the principal or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the District free from the trusts created by the Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Trustee, as the case may be, may (at the cost of the District) first mail a notice, in such form as may be deemed appropriate by the Trustee, to the Owners of the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

Provisions Relating to the Municipal Bond Insurer and the Municipal Bond Insurance Policy

Defeasance.

(a) The investments in any defeasance escrow relating to the Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise may be authorized under State law and approved by the Municipal Bond Insurer.

(b) At least three (3) Business Days prior to any defeasance with respect to the Bonds, the District shall deliver to the Municipal Bond Insurer and the Trustee draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Bonds, and a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the Municipal Bond Insurer and shall be in form and substance satisfactory to the Municipal Bond Insurer. In addition, the escrow agreement shall provide that any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report and the prior written consent of the Municipal Bond Insurer, which consent will not be unreasonably withheld.

(c) The District will not exercise any optional redemption of the Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the Municipal Bond Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(d) The District shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Municipal Bond Insurer.

Trustee-Related Provisions.

(a) The Municipal Bond Insurer shall receive written notice of any name change of the Trustee or the resignation or removal of the Trustee. Any successor trustee must be (i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, (ii) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or (c) otherwise approved by the Municipal Bond Insurer in writing.

(b) No removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to the Municipal Bond Insurer, shall be qualified and appointed.

(c) The Trustee may be removed at any time at the request of the Municipal Bond Insurer for any breach of its obligations under the Indenture.

Amendments and Supplements. The Municipal Bond Insurer's prior written consent is required for all amendments and supplements to the Indenture, with the exceptions noted below. The District shall send copies of any such amendments or supplements to the Municipal Bond Insurer and the rating agencies which have assigned a rating to the Bonds.

(a) Any amendments or supplements to the Indenture shall require the prior written consent of the Municipal Bond Insurer except for amendments or supplements:

(i) to cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the therein or in any supplement thereto, or

(ii) to grant or confer upon the Owners any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Owners, or

(iii) to add to the covenants and agreements of the District in the Indenture, other covenants and agreements thereafter to be observed by the District or to surrender any right or power therein reserved to or conferred upon the District.

(b) Any amendment, supplement, modification to, or waiver of, Indenture that requires the consent of Owners or adversely affects the rights or interests of the Municipal Bond Insurer shall be subject to the prior written consent of the Municipal Bond Insurer.

(c) Any reorganization or liquidation plan with respect to the District must be acceptable to the Municipal Bond Insurer. In the event of any reorganization or liquidation of the District, the Municipal Bond Insurer shall have the right to vote on behalf of all Owners absent a continuing failure by the Municipal Bond Insurer to make a payment under the Municipal Bond Insurance Policy.

(d) Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of a default or an Event of Default, the Municipal Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Trustee for the benefit of the Owners under the Indenture. No default or Event of Default may be waived without the Municipal Bond Insurer's written consent. The maturity of Bonds shall not be accelerated without the consent of the Municipal Bond Insurer and in the event the maturity of the Bonds is accelerated, the Municipal Bond Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the District) and the Trustee shall be required to accept

such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Municipal Bond Insurer's obligations under the Municipal Bond Insurance Policy with respect to such Bonds shall be fully discharged.

(e) Upon the occurrence and continuance of a default or an Event of Default, the Municipal Bond Insurer shall be deemed to be the sole owner of the Bonds for all purposes, including, without limitations, for purposes of exercising remedies and approving amendments.

(f) No grace period shall be permitted for payment defaults under the Indenture. No grace period for a covenant default shall exceed 30 days without the prior written consent of the Municipal Bond Insurer.

(g) If an Insurer Default (hereinafter defined) shall occur and be continuing, then, notwithstanding anything in paragraphs (a)-(e) above to the contrary, (i) if at any time prior to or following an Insurer Default, the Municipal Bond Insurer has made payment under the Municipal Bond Insurance Policy, to the extent of such payment the Municipal Bond Insurer shall be treated like any other Owner for all purposes, including giving of consents, and (ii) if the Municipal Bond Insurer has not made any payment under the Municipal Bond Insurance Policy, the Municipal Bond Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the Municipal Bond Insurer makes a payment under of the Municipal Bond Insurance Policy, in which event, the foregoing clause (i) shall control. For purposes of this paragraph, "Insurer Default" means: (1) the Municipal Bond Insurer has failed to make any payment under the Municipal Bond Insurance Policy when due and owing in accordance with its terms; or (2) the Municipal Bond Insurer shall (A) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (B) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (C) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (D) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) make a general assignment for the benefit of creditors, or (F) take action for the purpose of effecting any of the foregoing; or (3) any state or federal agency or instrumentality shall order the suspension of payments on the Municipal Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Municipal Bond Insurer (including without limitation under the New York Insurance Law).

(h) The rights granted to the Municipal Bond Insurer under the Indenture to request, consent to or direct any action are rights granted to the Municipal Bond Insurer in consideration of its issuance of the Municipal Bond Insurance Policy. Any exercise by the Municipal Bond Insurer of such rights is merely an exercise of the Municipal Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Bonds and such action does not evidence any position of the Municipal Bond Insurer, affirmative or negative, as to whether the consent of the Owners of the Bonds or any other person is required in addition to the consent of the Municipal Bond Insurer.

The Municipal Bond Insurer shall be entitled to pay principal or interest with respect to the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Municipal Bond Insurance Policy), and any amounts due on the Bonds as a result of acceleration of the maturity thereof, whether or not the Municipal Bond Insurer has received a claim upon the Municipal Bond Insurance Policy.

Municipal Bond Insurer as Third-Party Beneficiary. The Municipal Bond Insurer is explicitly recognized as being a third-party beneficiary under the Indenture and may enforce such right, remedy or claim conferred, given or granted under the Indenture.

Payment Procedure Under the Municipal Bond Insurance Policy.

(a) In the event that principal and/or interest due with respect to the Bonds shall be paid by the Municipal Bond Insurer pursuant to the Municipal Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the District to the Owners shall continue to exist and shall run to the benefit of the Municipal Bond Insurer, and the Municipal Bond Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Bonds.

(b) In the event that on the second (2nd) Business Day prior to any Interest Payment Date, the Trustee has not received sufficient moneys to pay all principal of and interest due with respect to the Bonds on such Interest Payment Date, the Trustee shall immediately notify the Municipal Bond Insurer or its designee on the same Business Day, by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the Interest Payment Date, the Trustee shall so notify the Municipal Bond Insurer or its designee.

(c) In addition, if the Trustee has received written notice that any holder of the Bonds has been required to disgorge payments of principal of or interest on the Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Trustee shall notify the Municipal Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the Municipal Bond Insurer.

(d) The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for the Owners as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal with respect to the Bonds, the Trustee shall (A) execute and deliver to the Municipal Bond Insurer, in form satisfactory to the Municipal Bond Insurer, an instrument appointing the Municipal Bond Insurer as agent and attorney-in-fact for such Owners in any legal proceeding related to the payment and assignment to the Municipal Bond Insurer of the claims for interest with respect to the Bonds, (B) receive, as designee of the respective Owners (and not as Trustee), in accordance with the tenor of the Municipal Bond Insurance Policy, payment from the Municipal Bond Insurer with respect to the claims for interest so assigned, and (C) disburse the same to such respective Owners; and

(ii) If there is a deficiency in amounts required to pay principal with respect to the Bonds, the Trustee shall (A) execute and deliver to the Municipal Bond Insurer, in form satisfactory to the Municipal Bond Insurer, an instrument appointing the Municipal Bond Insurer as agent and attorney-in-fact for such Owner in any legal proceeding related to the payment of such principal and an assignment to the Municipal Bond Insurer of the Bonds surrendered to the Municipal Bond Insurer, (B) receive, as designee of the respective Owners (and not as Trustee), in accordance with the tenor of the Municipal Bond Insurance Policy, payment therefore from the Municipal Bond Insurer, and (C) disburse the same to such Owners. The Trustee shall designate any portion of payment of principal with respect to Bonds paid by the Municipal Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Municipal Bond Insurer, registered in the name directed by the Municipal Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the

Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the District or the District with respect to any Bond or the subrogation or assignment rights of the Municipal Bond Insurer.

Payments with respect to claims for interest and principal with respect to Bonds disbursed by the Trustee from proceeds of the Municipal Bond Insurance Policy shall not be considered to discharge the obligation of the District with respect to such Bonds, and the Municipal Bond Insurer shall become the owner of such unpaid Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

(e) Irrespective of whether any such assignment is executed and delivered, the District and the Trustee agree for the benefit of the Municipal Bond Insurer that:

(i) They recognize that to the extent the Municipal Bond Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal or interest with respect to the Bonds, the Municipal Bond Insurer will be subrogated to the rights of such Owners to receive the amount of such principal and interest from the District, with interest thereon, as provided and solely from the sources stated in the Indenture; and

(ii) They will accordingly pay to the Municipal Bond Insurer the amount of such principal and interest, with interest thereon as provided in the Indenture, but only from the sources and in the manner provided therein for the payment of principal and interest with respect to the Bonds to Owners and will otherwise treat the Municipal Bond Insurer as the owner of such rights to the amount of such principal and interest.

Additional Payments. The District agrees unconditionally that it will pay or reimburse the Municipal Bond Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Municipal Bond Insurer may pay or incur, including, but not limited to, fees and expenses of the Municipal Bond Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Indenture ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Municipal Bond Insurer spent in connection with the actions described in the preceding sentence. The District agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Municipal Bond Insurer until the date the Municipal Bond Insurer is paid in full.

Notwithstanding anything in the Indenture to the contrary, the District agrees to pay to the Municipal Bond Insurer (i) a sum equal to the total of all amounts paid by the Municipal Bond Insurer under the Municipal Bond Insurance Policy (the "Municipal Bond Insurer Policy Payments"); and (ii) interest on such the Municipal Bond Insurer Policy Payments from the date paid by the Municipal Bond Insurer until payment thereof in full by the District, payable to the Municipal Bond Insurer at the Late Payment Rate per annum (collectively, "the Municipal Bond Insurer Reimbursement Amounts") compounded semi-annually. The District covenants and agrees that the Municipal Bond Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the payment of the Bonds on a parity with the Bonds.

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APPENDIX B

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

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Woodbridge Irrigation District
Basic Financial Statements
December 31, 2020

Woodbridge Irrigation District
Basic Financial Statements
December 31, 2020

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TEK *Terry E Krieg CPA*
Certified Public Accountant

Independent Auditor's Report

Board of Directors
Woodbridge Irrigation District
Woodbridge, California

Report on the Financial Statements

I have audited the accompanying financial statements of the Woodbridge Irrigation District, California, as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Woodbridge Irrigation District's basic financial statements as listed in the Table of Contents The financial statements of the Woodbridge Irrigation District as of December 31,2019 were audited by other auditors whose report dated July 15, 2020 expressed an unmodified opinion on those statements. I have presented the basic financial statements for comparative purposes only and, accordingly, I do not express an opinion or provide assurance on them.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with audited standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Woodbridge Irrigation District as of December 31, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report, dated April 19,2021 on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Woodbridge Irrigation District's internal control over financial reporting and compliance.

Terry E. Krieg
Certified Public Accountant
Santa Rosa, California
April 19, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Woodbridge Irrigation District's annual financial report presents our discussion and analysis of the District's financial performance during the years that ended on December 31, 2020.

FINANCIAL HIGHLIGHTS

- Overall, the District's net position in 2020 increased by about $2,157,000 which amount is consistent with positive increases the District has reported in recent years.

- District total operating expenses in 2020 where about $307,000 more than in 2020 mainly because less labor and related benefits where capitalized as part of construction in progress during 2020 as major project work was concluded this year.

- Fiscal 2020 total revenues increased by about $171,000 with $58,000 coming higher water toll revenues from the modest rate increase, less refunds to landowners in 2020, and increased deliveries in October through December. In addition, the District received a one-time capital contribution of $105,000 from a landowner pipeline project.

- The District in 2020 completed the Pixley lateral and pipeline project which project was started in 2017and was district labor and materials intensive.

- At the end of 2020, the District's unrestricted total cash position reported a positive $1.37 million increase for the year with an ending balance of $10.9 million in cash and investments being held by the District.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management's discussion and analysis* (this section) and the *basic financial statements.* The basic financial statements include one kind of statements that present both a short-term and long-term view of the District:

- *Proprietary* enterprise fund-type statements offer *short-* and *long-term* financial information about the activities that the District operates *like businesses*, such as the District's irrigation system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The District has no required supplementary information as the District does not participate in any defined benefit pension plan. Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

FIGURE A-1 Major Financial Statement Features

	Basic Financial Statements
Scope	Activities the District operates similar to private businesses
Required financial statements	Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term focus
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received

Basic Financial Statements

The basic financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position regardless of when cash is received or paid.

The basic financial statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position.*

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

The basic financial statements of the District consist of one category:

- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. All of the District's operations are accounted for in this category. *The District uses proprietary enterprise fund type accounting principles to account for all operations.* Proprietary accounting provides both long and short-term financial information.

The 2003 year was the first year in which the District implemented the new financial reporting model required by the Governmental Accounting Standards Board. The major impact of this change in financial reporting was the requirement to present this Management Discussion and Analysis (MD&A) section as part of the District's basic financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position At the end of 2020, the net position of the District had increased by about $2,157,000. The 2020 increase in net position is consistent with the District's operating results in receent years as the 2019 increase was about $2,293,000. (See Tables A-1 and A-3.)

TABLE A-1 NET POSITION (Rounded to the Nearest Thousand Dollars) as of December 31

	2020	2019	Percent Change
Assets:			
Current and other assets	$12,227,000	$10,686,000	14%
Capital assets	27,035,000	26,713,000	1%
Total assets	$39,262,000	$37,399,000	5%
Deferred outflows of resources:			
Loss on advance refunding	$107,000	$115,000	(7)%
Liabilities			
Long-term debt	$11,305,000	$11,590,000	(3)%
Other liabilities	536,000	544,000	(2)
Premium on sale of debt	126,000	135,000	(7)
Total liabilities	11,967,000	12,269,000	(3)%
Net Position:			
Net investment in capital assets	15,712,000	15,103,000	4%
Unrestricted	11,690,000	10,142,000	15%
Total net position	$27,402,000	$25,245,000	9%

After all activity was completed, the District in 2020 reported a $2,157,000 positive increase in its net position which is just 6 percent less than the 2019 increase in net position.

The District had $11,305,000 in long-term debt outstanding at the end of 2020. The 3 percent decrease was the result of normal debt retirements. No new debt was issued in 2020.

The 14 percent increase in current and other assets in 2020 resulted from significantly less cash being spent on construction projects in 2020 and the higher property taxes receivable as the first installment was not received until early 2021.

While capital assets increased by only 1 percent in 2020, there was a significant shift from construction in progress to completed projects as the $4,523,948 Pixley lateral pipeline project was closed out of construction in progress and placed in full operation at the end of 2020.

The District's long-term debt obligation continued to decline by about 3 percent from normal scheduled retirements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Changes in net position

About 10 percent of the District's revenue comes from irrigation water fees, 64 percent from water sales to the City of Lodi, City of Stockton, another 14 percent comes from property taxes, and another 3 percent comes from the water standby and water standby fees. The remaining 9 percent comes from investment earnings and other operating revenues. The main component of the revenue structure of the District is that in 2004 the District entered into a 40 year agreement with the City of Lodi to sell at least 6,000 acre feet of water a year to the City of Lodi. This agreement became effective late in 2003 in conjunction with the sale of the certificates of participation. In 2020 the District received about $1.49 million from the water sales to the City of Lodi. In 2010, the District entered into a 40 year agreement with the City of Stockton to sell at least 6,500 acre feet of water a year to the City of Stockton. In 2020, the District received about $1.85 million under the agreement with the City of Stockton which included an additional $268,777 for the purchase of additional water.

TABLE A-2 DISTRICT REVENUE STRUCTURE	PERCENTAGE OF TOTAL	
Revenue Classification	2020	2019
Irrigation tolls	10.0%	9.2%
Water sales:		
City Lodi	28.7	29.1
City Stockton	35.7	38.0
Standby and recharge fees	3.3	3.4
Property taxes	14.4	13.8
All other	5.8	6.5
Capital contributions	2.0	0.0 %
Totals	100%	100.0%

Revenues in 2020 increased by about $171,000 compared to 2019 revenues. About $105,000 or 61 percent of the increase was from a one-time contribution from a district landowner for materials and work related to pipeline construction.

Total District expenses increased in 2020 by $307,000 or about 11 percent more than the total 2019 expenses. Most of the increase was for personnel costs and benefits as less labor and benefits was capitalized in 2020 as the District labor force spend less time work on projects in 2020 than they did in 2019.

Property tax revenues reported a modest increase of about 8 percent for 2020. Water standby and recharge fees in 2020 were relatively stable compared to 2019 as there was no increase in these fees in 2020.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

TABLE A-3 District Revenues, Expenses and Changes in Net Position (Rounded to the Nearest Thousand Dollars) for the Years Ended December 31

	2020	2019	Percent Change
Operating and nonoperating revenues:			
Irrigation water tolls	$ 519,000	$ 461,000	13%
Water sales:			
City of Lodi	1,492,000	1,463,000	2%
City of Stockton	1,854,000	1,907,000	(3%)
Water standby charges	123,000	123,000	0%
Water recharge fees	49,000	49,000	0%
Property taxes	749,000	692,000	8%
Other revenues	302,000	327,000	(8%)
Capital contributions	105,000	-	100%
Total revenues	5,193,000	5,022,000	3%
Personnel services and benefits	1,380,000	1,100,000	26%
Vegetation and weed control	33,000	31,000	7%
Vehicle operation and maintenance	36,000	39,000	(8%)
Utilities, insurance and claims	74,000	76,000	(3%)
Other supplies and expenses	238,000	211,000	13%
Interest	529,000	545,000	(3%)
Depreciation	746,000	727,000	3%
Total expenses	3,036,000	2,729,000	11%
Increase in net position	2,157,000	2,293,000	(6%)
Net position, beginning	25,245,000	22,952,000	
Net position, ending	$27,402,000	$25,245,000	9%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the District had invested about $27 million (net of accumulated depreciation) in a broad range of capital assets, including land, equipment, vehicles, buildings, and the Woodbridge Dam and irrigation systems. (See Table A-4.) This amount represents a net increase of about $323,000 (including additions and deductions).

TABLE A-4 District Investment in Capital Assets – December 31
(Rounded to the Nearest Thousand Dollars)

Capital assets:	2020	2019	Percent Change
Non-depreciable			
Land	$ 477,000	$ 477,000	0%
Water rights	1,236,000	979,000	26
Construction in progress	162,000	4,700,000	(97)
Subtotal non-depreciable	1,875,000	6,156,000	(70%)
Depreciable:			
Buildings	1,584,000	1,584,000	-
Mainland nursery	542,000	542,000	-
Equipment and vehicles	1,458,000	1,396,000	4
Dam and Fish Screen	19,629,000	19,398,000	1
Irrigation and conveyance system	11,521,000	6,593,000	75%
Total capital assets	36,609,000	35,669,000	3%
Accumulated depreciation	(9,574,000)	(8,956,000)	7%
Net capital assets	$27,035,000	$26,713,000	1%

- In 2020, the District completed work on the Pixley lateral project. District personnel and private party contractors were involved in this project requiring over 11,000 feet of new lines. Completion of the Pixley lateral accounts for the 75% increase in the irrigation and conveyance system and the 97% decrease in the construction in progress category in the non-depreciable class above.
- In addition the District purchased a new dump truck and backhoe for about $185,228 and placed them in service in 2020
- The District was able to sell for $42,000 two vehicles that had outlived their useful life
- Improvements to the dam and security lighting were made costing about $231,000 in 2020

Long-Term Debt

There was no new long-term debt issued by the District in 2020. Additional information about the District's debt can be found starting on page 18 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2021 year, revenue projections reflect that the District will earn about $1,521,890 in water sale revenues from the City of Lodi and $1,890,539 from the sale of water to the City of Stockton. In addition, the District's financing plan for 2019 includes:

- No change is anticipated in the water recharge rates.
- No change is anticipated in the water standby rates.
- Operating expenses in 2021 are also expected to remain relatively stable in comparison to the 2020 with about a modest 75 overall increase.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Manager, Woodbridge Irrigation District 18750 North Lower Sacramento Road, Woodbridge, California, 95258.

WOODBRIDGE IRRIGATION DISTRICT
Statement of Net Position
December 31, 2020
(with 2019 For Comparative Purposes)

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	$ 10,925,331	$ 9,546,772
Accounts receivable	173,676	412,495
Taxes receivable	706,089	338,567
Interest receivable	1,362	410
Inventory	12,909	13,788
Prepaid expenses	145,812	105,548
Total current assets	11,965,179	10,417,580
Other assets:		
Restricted cash and cash equivalents	261,788	267,488
Total other assets	261,788	267,488
Capital assets:		
Property and equipment	36,609,409	35,669,483
Accumulated depreciation	(9,573,906)	(8,955,901)
Net capital assets	27,035,503	26,713,582
Total assets	$ 39,262,470	$ 37,398,650
Deferred Outflows of Resources:		
Loss on advance refunding	$ 106,834	$ 115,037
Liabilities		
Current liabilities:		
Accounts payable	$ 63,296	$ 41,321
Accrued interest payable from restricted assets	261,788	267,488
Compensated absences payable	52,825	44,335
Certificates due within one year	300,000	285,000
Total current liabilities	677,909	638,144
Long-Term liabilities:		
Certficates due in more than one year	11,005,000	11,305,000
Premium on the sale of certificates	125,828	135,489
Compensated absences	158,544	190,231
Total long-term liabilities	11,289,372	11,630,720
Total Liabilities	11,967,281	12,268,864
Net Position:		
Net investment in capital assets	15,711,509	15,103,130
Unrestricted	11,690,514	10,141,693
Total Net Position	$ 27,402,023	$ 25,244,823

The accompanying notes are an integral part of the financial statements

WOODBRIDGE IRRIGATION DISTRICT
Statements of Revenues, Expenses,
and Changes in Net Position
For The Year Ended December 31, 2020
(with 2019 for Comparative Purposes)

	Years Ended December 31	
	2020	2019
Operating revenues:		
Water tolls	$ 518,687	$ 460,487
Water standby charges	123,301	123,219
Groundwater recharge fees	48,898	48,821
Water sales:		
City of Lodi	1,492,049	1,462,793
City of Stockton	1,853,470	1,906,464
Other operating revenues	173,489	200,710
Total operating revenues	4,209,894	4,202,494
Operating expenses:		
Personnel and related benefits	1,379,477	1,099,706
Utilities	35,849	35,633
Vegetation and weed control	32,900	30,554
Insurance and claims	38,647	40,300
Vehicle operation and maintenance	36,072	38,675
Other supplies and expenses	237,861	211,487
Depreciation and amortization	745,915	726,905
Total operating expenses	2,506,721	2,183,260
Operating income (loss)	1,703,173	2,019,234
Other revenue (expense):		
Interest income	87,005	126,140
Gain on capital asset disposals	42,000	-
Interest expense	(529,407)	(544,905)
Property taxes	749,397	692,314
Total other revenue (expense)	348,995	273,549
Capital contributions	105,032	-
Change in net position	2,157,200	2,292,783
Net position, January 1	25,244,823	22,952,040
Net position, December 31	$ 27,402,023	$ 25,244,823

The accompanying notes are an integral part of the financial statements

WOODBRIDGE IRRIGATION DISTRICT
Statements of Cash Flows
For The Year Ended December 31, 2020
(with 2019 For Comparative Purposes)

	Years Ended December 31	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	$ 4,275,224	$ 3,675,670
Other operating receipts	173,489	194,193
Payments to employees for services and benefits	(1,402,674)	(1,094,465)
Payments to suppliers for goods and services	(429,013)	(301,420)
Net cash provided by operating activities	2,617,026	2,473,978
Cash flows from noncapital financing activities:		
Property tax revenues	381,875	692,314
Net cash provided by noncapital financing activities	381,875	692,314
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(1,037,562)	(1,862,780)
Proceeds from disposal capital assets	42,000	-
Capital contributions	105,032	-
Principal payments on long-term debt	(285,000)	(275,000)
Interest and fiscal agent fees paid on long-term debt	(536,565)	(551,863)
Net cash provided by (used for) capital and related financing activities	(1,712,095)	(2,689,643)
Cash flows from investing activities:		
Interest on investments	86,053	126,141
Net cash provided by (used for) investing activities	86,053	126,141
Net change in cash and cash equivalents	1,372,859	602,790
Cash and cash equivalents, January 1	9,814,260	9,211,470
Cash and cash equivalents, December 31	$ 11,187,119	$ 9,814,260
Current cash and cash equivalents	$ 10,925,331	$ 9,546,772
Restricted cash and cash equivalents	261,788	267,488
Cash and cash equivalents December 31	11,187,119	9,814,260
Noncash capital financing activities:		
None were reported in 2020 or 2019		
Net cash provided by(used for) operating activities:		
Operating income(loss)	$ 1,703,173	$ 2,019,234
Adjustments to reconcile operating income(loss) to net cash provided by(used for) operating activities:		
Depreciation and amortization	745,915	726,905
Changes in assets and liabilities:		
Receivables	238,819	(326,114)
Prepayments	(40,264)	2,315
Inventories	879	36,591
Accounts payable for services	(8,299)	16,323
Compensated absences	(23,197)	5,241
Deposits	-	(6,517)
Net cash provided by operating activities	$ 2,617,026	$ 2,473,978

The accompanying notes are an integral part of the financial statements

1. Summary of Significant Accounting Policies

A. *Reporting Entity*

The Woodbridge Irrigation District was formed in 1924, pursuant to the approval of voters in an election, and it is governed by an elected five-member Board of Directors. The District's service area includes the unincorporated community of Woodbridge, California. The District owns and operates the Woodbridge Dam. The accompanying financial statements present the District and its component units, entities for which the District is considered to be financially accountable. The Woodbridge Irrigation District Public Facilities Financing Corporation was formed for the purpose of providing financing for the acquisition and construction of irrigation water systems and facilities for the production, storage and delivery of water. The District is financially accountable for the Corporation as the Corporation is governed by the District's Board of Directors. Because the District controls the Corporation, the Corporation's financial activities are blended in with and reported as part of the District's financial activities. The installment purchase contract receivable of the Corporation and the installment contract payable to the Corporation by the District has been eliminated from the accompanying financial statements.

B. Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes, water service charges, water sales and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The District is engaged in only business-type activities and the District's basic financial statements consist of only the financial statements required for enterprise funds. These include management's discussion and analysis, a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, and these notes to the basic financial statements.

Proprietary enterprise funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to the customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District's investment policy has been to invest idle cash in demand deposits, time deposits and the Local Agency Investment Fund (LAIF) of the State of California. Investments are reported at fair value. The LAIF is operated in accordance with applicable state laws and regulations, and the reported value of the District's investment in the LAIF is the same as the fair value of the LAIF pool shares. State statutes authorize the District to invest in obligations of the U.S. Treasury, Federal Agency obligations, commercial paper, the LAIF and other instruments. The Trust Agreement underlying the issuance of the Certificates of Participation authorize permitted investments consistent with the State of California Government Code but broader in scope than the District's usual investment practices.

Fair Value Measurements – Fair value measurements are required to be categorized within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, and Level 3 inputs are other significant unobservable inputs. The District's investments are not subject to this leveling requirement.

2. Receivables and Property Taxes

All trade and property tax receivables are not shown net of an allowance for uncollectibles.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of San Joaquin collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The District recognizes property tax revenues in the fiscal year levied and due to the District and accrues as receivable such taxes.

3. Inventories and Prepaid Items

All inventories are valued at cost based upon physical determinations made at the end of each year.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

4. Restricted Cash Equivalents and Investments

Cash equivalents and investments restricted for debt service are reported as noncurrent assets. The District follows the practice of reporting as restricted assets the funds on deposit with the Certificate Trustee in the installment payment account.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (mainly the existing Dam and irrigation system), are reported in the financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $100 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and assets constructed by developers are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and completed. Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Irrigation canals and laterals	25-75
Dams	100
Buildings and storage facilities	8-25
Vehicles and trucks	5-10

Costs incurred in regard to preservation of water rights and declaratory relief actions are capitalized as non-depreciable water right assets pending their ultimate disposition.

6. Compensated Absences, Sick Leave, Claims and Other Post-Employment Benefits

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. The District provides no other post-employment medical benefit plans. The District obtains insurance coverage for property and equipment, fidelity bonds, automobile liability and general liability through its membership in the Association of California Water Agencies Joint Powers Insurance Authority. The risk of loss is transferred from the District to the Authority in exchange for the District's payment of annual premiums. Incurred and unbilled claims, if any, are accrued as a liability when it is probable that an asset has been impaired, the amount of the obligation can be reasonably estimated, and the claim is not covered by insurance. Workers compensation insurance is maintained through a commercial policy.

7. Long-term Obligations

In enterprise fund-type financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Premiums associated with the issuance of long-term debt obligations are reported as additions to the carrying value of the related debt obligation, and are amortized to interest expense over the life of the debt instrument. Costs associated with the issuance of the debt (except for bond insurance premiums) are expensed when incurred by the District.

8. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position

9. Net Position

In the financial statements, District net position is reported in two categories. Invested in capital assets - This category of net position reports the net book value of capital assets used in District operations including construction in progress all net of related accumulated depreciation, and reduced by the carrying value of related long-term debt issued to finance the acquisition of such assets. Unrestricted net position represents all other assets net of related liabilities available for use by the District.

2. Cash Equivalents and Investments

Cash equivalents and investments consisted of the following at December 31,2020:

Cash and cash equivalents:	
Demand deposits	$ 1,983,345
Time certificates of deposit	6,000,000
Local Agency Investment Fund	70,966
Money market demand account	2,871,020
Money market funds with Bank Trustee	261,788
Total cash equivalents and investments	$ 11,187,119

Type Investment	
Local agency investment fund (LAIF)	$ 70,966
Money market demand account	2,871,020
Time certificates of deposit	6,000,000
Dreyfus Treasury Agency cash management fund	261,788
	$ 9,203,774

Interest Rate Risk - The LAIF has an average maturity of 165 days as of December 31, 2020. The investments in the LAIF, money market, and Dreyfus cash management funds are not subject to fair value leveling disclosures. All District investments have a maturity of 12 months or less.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy for deposits is that they will be made in institutions in California; they will be insured or collateralized in accordance with section 53562 of the California Government Code. At December 31, 2020, $10,473,838 of the District's bank balances and time certificates of deposit of $10,973,838 was exposed to credit risk as follows:

Uninsured and collateral held by the pledging bank's agent but not in the District's name:	$ 10,473,838

Custodial Credit Risk - Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment in the Local Agency Investment Fund (an external investment pool) and in mutual funds are not subjected to custodial credit risk because the District's investments are not evidenced by specific securities

2. Cash Equivalents and Investments (Continued)

Credit Risk - State law limits investments in various securities to certain levels of risk ratings issued by nationally recognized statistical rating organizations. It is the District's policy to comply with State Law as regards securities ratings. The District's investment in the Local Agency Investment Fund and the premium money market funds are unrated.

Concentration of Custodial Risk – All District cash and cash equivalents except for the LAIF and funds with the Bank Trustee are held by Farmers and Merchants Bank.

3. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$476,611	$ -	$ -	$ 476,611
Water rights	978,882	257,485	-	1,236,367
Construction in progress:				
Pixley lateral pipeline	4,508,323	15,625	(4,523,948)	-
Other projects	192,515	608,307	(638,393)	162,429
Total capital assets, not being depreciated	6,156,331	881,417	(5,162,341)	1,875,407
Capital assets, being depreciated:				
Dam reconstruction and fish screen	19,397,568	231,136	-	19,628,704
Pumping plant	30,473	-	-	30,473
Buildings	1,584,354	-	-	1,584,354
Mainland nursery	542,241	-	-	542,241
Pipelines, canals and initial plant	4,121,835	404,151	-	4,525,986
Wilkerson lateral	2,440,276	-	-	2,440,276
Pixley lateral pipeline		4,523,948		4,523,948
Vehicles and equipment	1,396,405	185,228	(123,613)	1,458,020
Total capital assets, being depreciated	29,513,152	5,344,463	(123,613)	34,734,002
Less accumulated depreciation for:				
Dam reconstruction	(6,275,772)	(483,842)		(6,759,614)
Pumping plant	(30,473)	-	-	(30,473)
Buildings	(375,541)	(39,031)	-	(414,572)
Pipelines , canals and initial plant	(1,299,815)	(161,016)	-	(1,460,831)
Vehicles and equipment	(974,300)	(57,729)	123,613	(908,416)
Total accumulated depreciation	(8,955,901)	(741,618)	123,613	(9,573,906)
Total capital assets, being depreciated, net	21,557,251	4,602,845	-	25,160,096
Business-type activities capital assets, net	$ 26,713,582	$5,484,262	$(5,162,341)	$ 27,035,503

4. Long-Term Obligations

Changes in long-term obligations were as follows:

Year Ended:	Beginning	Additions	Deletions	Ending
Certificates of participation :				
2013 refunding issue	$11,590,000	$ -	$ 285,000	$ 11,305,000
Compensated absences	234,566	21,138	44,335	211,369
Totals	$11,824,566	$ 21,138	$ 329,335	$ 11,516,369

The amounts due within one year at December 31, 2020 were $300,000 for the 2013 certificates, and $52,825 for compensated absences.

Certificates of Participation (2013 Refinancing Project): The certificates were issued by the Woodbridge Irrigation District Public Facilities Financing Corporation (a component unit of the District) in an original amount of $13,510,000 to obtain financing to advance refund the District's 2003 and 2007 certificates of participation and related installment sale agreements with the District's Corporation. The Corporation entered into an installment sale agreement whereby the District is obligated to make installment payments in amounts sufficient to pay the debt service on the 2013 Refinancing Certificates. All rights of the Corporation to receive such installment payments have been assigned to a Trustee Bank for the benefit of the Certificate holders. The transactions between the District and its component unit financing corporation have been eliminated from these financial statements. The debt obligation and the related proceeds are reported as part of the District's financial activities. The obligation to repay the certificates is secured by a pledge of the net revenues of the District's irrigation system.

The Certificates bear interest at rates of from 3.00 percent to 5.10 percent, are payable in semi-annual installments commencing July 1, 2013 and continuing through July 1, 2043. Principal installments are due each July 1. Certificates with a payment date of July 1, 2026 are subject to mandatory prepayments commencing July 1, 2024. Certificates with a payment date of July 1, 2029 are also subject to mandatory early prepayments commencing July 1, 2027 Certificates with payment dates on or after July 1, 2034 are also subject to optional early redemption by the District on or after July 1, 2030 without a prepayment premium. The District's obligation to make the installment payments is secured by a first pledge and lien on the net water system revenues. Future debt service on the 2013 refinancing certificates is:

Future debt service on the 2013 refinancing certificates is:

Years	Principal	Interest	Totals
2021	$ 300,000	$ 523,575	$ 823,575
2022	305,000	511,575	816,575
2023	325,000	499,375	824,375
2024	335,000	486,375	821,375
2025	350,000	472,975	822,975
2026-2030	1,970,000	2,140,740	4,110,740
2031-2035	2,435,000	1,675,550	4,110,550
2036-2040	3,050,000	1,049,100	4,099,100
2041-2043	2,235,000	232,050	2,467,050
Totals	$ 11,305,000	$7,591,315	$18,896,315

4. Long-Term Obligations (Continued)

Annual principal and interest payments on the certificates are expected to require less than 24 percent of system net revenues as defined. The total principal and interest remaining to be paid on the certificates is $16,896,315. Principal and interest paid for the current year and total system net revenues as defined were $819,975 and $3,436,224 respectively.

5. 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 $60 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 pay-outs), and other economic and social factors. There were no material uninsured claim liabilities at December 31, 2020 or 2019.

6. Contingencies and Commitments

Litigation. In the opinion of the District's general counsel, there is no pending or threatened litigation which would have a material adverse impact on the accompanying financial statements

Water Sale Contracts. The District in 2003 entered into agreement with the City of Lodi wherein the District agreed to provide the City with 6,000 acre feet of water a year. The agreement is a take or pay agreement and the City is obligated to pay the District at least $1,200,000 annually for water under the agreement provisions. The initial term of the agreement is for 40 years. The annual payments are payable to the District in quarterly installments. In January of 2008, the District and the City of Lodi amended the 2003 water sale contract to, among other matters, extend that agreement for about four years to October 15, 2047.

In addition, the District and the City of Stockton entered into an agreement providing for the sale of 6,500 acre feet of water to the City of Stockton per year for the next 40 years commencing January 2, 2009 for an annual minimum fee of $1,300,000 for years 2010 and thereafter. Both agreements contain provisions for increases in these amounts based upon certain changes in consumer price indexes.

The water sale contracts contain provisions that the sale of water to the cities will be subject to a minimum increase of two percent a year over the life of the agreements. In addition, the agreements contain provisions that should the change in the consumer price index (CPI) increase more than two percent, then the purchase price for the water shall be increased by such a higher percent not to exceed five percent. The District is evaluating compliance with the provisions relating to CPI increases of more than the minimum two percent.

6. Contingencies and Commitments (Continued)

Water Rights and Agreements

The District has certain water rights and agreements that provide for the allocation of water to the District. Currently, the District is involved in a declaratory action with the East Bay Municipal Utility District concerning the interpretation of the District's entitlement to certain quantities of water. The action is in discovery and a preliminary hearing date is pending.

7. Retirement System and Other Post-Employment Benefits

Plan Description. The District does not participate in the State of California Public Employees Retirement System (PERS), in any defined benefit retirement plan, or any other post employment benefit plan (OPEB).The District instead participates in a Simplified Employee Pension Plan (SEP-IRA). The District contributes annually seven percent of qualifying employee's compensation. Contributions to the plan for 2020 total $89,213.

8. Blended Component Unit

Condensed financial information of the Woodbridge Irrigation District Public Facilities Financing Corporation is as follows as of December 31, 2020:

Assets:	
Current assets	$ 261,788
Installment agreement receivable from District	18,896,315
Total assets	$ 19,158,103
Liabilities:	
Interest Payable	$ 261,788
Certificates Payable	11,305,000
Unearned revenues	7,591,315
Total liabilities	19,158,103
Net Position	$ -
Revenues:	
Interest on agreement	$ 535,565
Expenses:	
Certificate interest and fiscal fees	535,565
Change in net position	-
Net position, beginning of year	-
Net position, end of year	$ -
Cash flows from investing activities	
Rents	$ 285,000
Interest	529,275
Net cash flows from investing activities	814,275

8. Blended Component Unit (Continued)

Cash Flows from capital and related financing activities	
Principal paid on certificates	285,000
Interest	534,975
Net cash flows from capital and related financing activities	819,975
Net change in cash and cash equivalents	(5,700)
Cash and cash equivalents, beginning year	267,488
Cash and cash equivalents, end of year	$ 261,788

9. COVID-19 Pandemic

In December 2019, a novel strain of the coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern". The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of the Covid-19 on our operations and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our landowners, employees, other governmental funding agencies, and vendors all of which are uncertain and cannot be predicted. At this point in time, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

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APPENDIX C

DISTRICT INVESTMENT POLICY

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IX. ANNUAL INVESTMENT POLICY

I. INTRODUCTION

The purpose of this policy is to assure a prudent and systematic investment program and to organize and formalize investment-related activities.

All funds shall be invested in accordance with this Annual Investment Policy. The Annual Investment Policy is based on the California Government Code Section 53601 et seq. (herein after referred to as the "Code") related to the investment of public funds and prudent money management.

II. SCOPE

It is intended that this Annual Investment Policy cover all funds and investment activities under the direction of the City.

Ill. PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent person" standard, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of public trust. The City shall recognize that no investment is totally riskless and that the investment activities of the City are a matter of public record. Investment officers acting in accordance with this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. OBJECTIVES

The primary objectives, in priority order, of the City's investment activities shall be:

1) Safety. Safety of principal is the foremost objective of the investment program. The City's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

2) Liquidity. The City's investment portfolio shall remain sufficiently liquid to enable the City to meet its cash flow requirements.

3) Total Return On Investment. The City's investment portfolio shall be designed

with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

Safety of principal is the primary objective of the City. Each investment transaction shall seek to ensure that large capital losses are avoided from securities or broker-dealer default. The City shall seek to ensure that capital losses are minimized from the erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

Credit risk, the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only permitted investments and by diversifying the investment portfolio according to this Annual Investment Policy.

Market risk, the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by matching maturity dates, to the extent possible, with the City's expected cash flow draws. It is explicitly recognized herein, however that, in a diversified portfolio, occasional losses is inevitable and must be considered within the context of the overall investment return.

V. DELEGATION OF AUTHORITY

The management responsibility for the investment program is hereby delegated to the City Manager who shall monitor and review all investments for consistency with this investment policy. The City Manager may delegate responsibility for day-to-day management of the portfolio. No person may engage in an investment transaction except as provided under the limits of this policy. The City Manager may also delegate the investment decision-making and execution authority to an investment advisor. The advisor shall follow the policy, which has been approved by the Council and such other written instructions as are provided.

VI. ETHICS AND CONFLICT OF INTEREST

Employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. City employees involved in the investment process shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio.

VII. INTERNAL CONTROLS

The City Manager or his designee shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentations by third parties and imprudent actions by employees of the City. The internal

controls shall be reviewed with the Finance Director/Treasurer and the independent external auditor. The Finance Director/Treasurer shall perform a review of the internal controls at least on an annual basis.

VIII. PERMITTED INVESTMENT INSTRUMENTS

The City's policy is to invest only in instruments as permitted by the Code, subject to the limitations of this Annual Investment Policy. Permitted investments in the portfolio shall provide sufficient liquidity to enable the City to meet its cash flow requirements and shall not exceed a maximum stated term of up to three (3) years. The Council must grant express written authority to make an investment or to establish an investment program of a term longer than three (3) years.

Maturity shall mean the stated final maturity of the security, or the unconditional put option date if the security contains such provision. Term or tenure shall mean the remaining time to maturity when purchased.

Permitted investments shall include:

1. U.S. Treasury Obligations: United States Treasury notes, bonds, bills or certificates of indebtedness, or those obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. Obligations of Federal Agencies and U.S. Government Sponsored Enterprises: Obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participation's, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participation's, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise, or such agencies or enterprises which may be created.

3. State of California Obligations: Registered state warrants, treasury notes or bonds of the State of California, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of this State.

4. Local Agency Obligations: Bonds, notes, warrants or other evidences of indebtedness of any local agency of the State, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by a local agency or by a department, board, agency or authority of a local agency. Such obligations must be rated A-1/P-1, or equivalent or

better short-term; or Aa/AA or better long term by two national rating agencies.

5. Bankers' Acceptances: Bills of exchange or time drafts drawn on and accepted by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest letter and numerical rating (A-1/P-1) by Moody's Investors Services and by Standard & Poor's Corporation. Purchases of Banker's Acceptances may not exceed 270 days maturity. No more than five percent of the City's portfolio may be invested in the Banker's Acceptances of any one commercial bank.

6. Corporate Notes: Medium-term corporate notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Notes eligible for investment shall be rated in a category "A" or its equivalent or better by a nationally recognized rating service. Purchase of medium-term corporate notes shall be limited to five percent in any one issuer.

7. Insured Savings/Money Market Accounts: Federal Deposit Insurance Corporation (FDIC)-insured savings accounts or Securities and Exchange (SEC)-registered money funds.

8. Negotiable Certificates of Deposit or Deposit Notes: Issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank. Such obligations must have long-term ratings of Aa/AA or better by two national rating agencies.

   Purchases of negotiable certificates of deposit shall be limited to five percent in any one issuer. (Deposit notes and bank notes shall be included with negotiable certificates of deposit in calculating allowable maximum percentages.)

9. Mortgage and Asset-Backed Obligations: Any mortgage pass-through security collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-backed bond of a maximum of five years maturity. Such obligations must be rated Aa/AA or better long term by two national rating agencies and the issuer of such obligations must be rated Aa/AA or better by two national rating agencies. Purchases of securities authorized by this section shall be limited to five percent in any one non-governmental issuer.

10. State of California's Local Agency Investment Fund (LAIF): In accordance with Section 16429.1 of the California Government Code, the Agency may invest up to the maximum amount permitted by law in LAIF. The LAIF

portfolio, including its average maturity, credit quality and Investment Policy shall be reviewed annually.

11. Commercial Paper: Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating (A-1/P-1) as provided by Moody's Investors Service, Inc. and Standard & Poor's Corporation; provided that the issuing corporation is organized and operating within the United States, has total assets in excess of $500 million and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's.
    Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 25 percent of the City's portfolio. No more than five percent of City's portfolio may be invested in Commercial Paper of any one corporation pursuant to this section.

    Credit criteria listed in this section refer to the credit of the security or the issuing organization at the time the security is purchased.

IX. INELIGIBLE INVESTMENTS

Any security type or structure not specifically approved by this policy is hereby specifically prohibited. Security types which are prohibited include,

(a) Inverse floaters, range notes, dual index notes, leveraged or de-leveraged floating rate notes, or interest-only strips that are derived from a pool of mortgages.
(b) Any security that could result in zero interest accrual if held to maturity.
(c) Any security with an unusually high degree of interest rate sensitivity or credit risk.
(d) Any security that is foreign currency denominated.

X. RATING DOWNGRADES

The City may from time to time be invested in a security whose rating is downgraded. In the event of a downgrade, the City Manager or his designee shall report the downgrade to the Council at the next scheduled presentation of the portfolio. In the event of a downgrade below the minimum credit rating criteria permitted by this investment policy, the designated investment manager shall immediately report the downgrade to the City Manager. The City Manager or his designee shall report to the Council, at their next regularly scheduled meeting, both the downgrade and the action that has been taken.

XI. DIVERSIFICATION

Investments shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, specific issue, or specific class of securities. Diversification limits ensure the portfolio is not unduly concentrated in

the securities of one type, industry, or entity, thereby assuring adequate portfolio liquidity should one sector or company experience difficulties.

INSTRUMENTS	Maximum % of Portfolio at Time Of Purchase
A. U.S. Treasuries (including U.S. Treasury Coupon and principal STRIPS	100% (Code)
B. Federal Agencies and U.S. Government Sponsored Enterprises	100% (Code)
C. State of California Obligations	25% (Code 100%)
D. Bankers Acceptances	25% (Code 40%)
E. Negotiable Certificates of Deposit	30% (Code)
F. Corporate Securities/Certificates of Deposit	30% (Code)
G. Mortgage and Asset-backed Securities	30% (Code)
H. Money Market Funds	20% (Code)
I. Commercial Paper	25% (Code)
J. California Local Agency Investment Fund (LAIF)	100% (Code)

Issuer/Counterparty Diversification Guidelines - The percentages specified below shall be adhered to on the basis of the entire portfolio:

i. Any one Federal Agency or Government Sponsored Enterprise (except LAIF) 35%

ii. Any one repurchase agreement counterparty name

If maturity/term is $\leq$ 7 days 50%

If maturity/term is > 7 days 25%

Issuer/Counterparty Diversification Guidelines for All Other Securities described in Subsections A. - J. in XI. Permitted Investments of this Annual Investment Policy:

Any one corporation, bank, local agency or other corporate name for one or more series of securities, and specifically with respect to special purchase vehicles issuers for mortgage and asset-backed securities, the maximum applies to all such securities backed by the same type of assets of the same issuer. 5%

XII. SALES PRIOR TO MATURITY

In the effort to maximize portfolio performance, the City, may, from time to time,

sell securities that it owns in order to better reposition its portfolio assets in accordance with updated cash flow schedules or better market opportunities.

XIII. REPORTING REQUIREMENTS

In accordance with Government Code Sections 53600 through 53609, the City Manager or his designee shall annually render to the Council a statement of investment policy, which the Council shall consider at a public meeting.

The City Manager shall render a monthly investment report to the Council. The report shall be submitted within 30 days following the end of the month. The following shall be included, if applicable.

- Type of investment instrument (i.e. Treasury Bill, medium-term note)
- Issuer names
- Purchase date (trade and settlement date)
- Maturity date
- Par value
- Purchase price
- Coupon rate
- Call/refunding date and price
- Discounts or premiums, if any
- Accrued interest paid at purchase, if any
- Accrued interest to date
- Amortization of premium/discount
- Overall portfolio yield based on cost
- Yield at market
- Book value
- Current market value and the source of the valuation
- Current credit rating of each security other than U.S. Treasuries
- Average maturity or duration
- Unrealized market value gain or loss (i.e., market value-book value)
- Other special features, characteristics, or comments

The report also shall (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a statement denoting the ability of the City to meet its cash expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

XIV. SAFEKEEPING AND CUSTODY

All securities owned by the City shall be kept in safekeeping with “perfected interest” in the name of the City by a third-party bank trust department, acting as agent for the City under the terms of a custody agreement executed between the bank and the City. All securities shall be received and delivered using standard delivery versus payment procedures. (Revised 4/06)

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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 $10,410,000 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, The Bank of New York Mellon Trust Company, N.A., 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).

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:

(i) Ten largest customers by revenue.

(ii) Ten largest customers by consumption.

(iii) Water rates.

(iv) Debt service coverage ratio.

(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]

WOODBRIDGE IRRIGATION DISTRICT

By _____
Authorized Officer

ACKNOWLEDGED:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., 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: _____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., 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.

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

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

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)

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

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)

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

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

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

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

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

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

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

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: $10,410,000 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 $10,410,000 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. 01-13-22-04, 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.

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 XIIIC and XIIID 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.

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

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Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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